Canada's $4 Billions of Mutual Aid (p. 9)

THE FINANCIAL POST

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The Nation's Business

Now is No Time To Funk the Battle

Our Ottawa correspondent this week reports that the King Government is on the verge of full-scale retreat from the policy of wage and price ceiling control.

The excuse to be given for this retreat is the appearance and recommendations of the McTague report on wage and labor relations. It is stated that acceptance of this report will inevitably lead to the collapse of the present price ceiling policy and that the Cabinet is, if anything, happy for an excuse to rid itself of this supposedly unpopular mechanism.

The McTague report has not been made public, but it has been in the hands of the Government for some time. It is understood to support labor's plea for upward wage adjustments for all heads of families now earning less than 50 cents an hour.

The real reason for panic flight by the Government on the inflationary front would be, of course, very different and something far more deep-seated than the McTague findings,

Very probably Mr. McTague's views are merely a long-overdue facing up to the real situation—to the administrative chaos which has been brought about by the Government's weak, muddled manpower policies. It is the collapse of the wage beam in the wage-price ceiling that is at the root of the matter.

What Mr. McTague has probably done is to face the Government squarely with the record of its own sins and shortcomings. Apparently this realism in face of what has happened at the polls in recent weeks is proving too much for the Government's courage in the anti-inflationary battle.

Here, really, is what has been going on: On the one hand is the courageous application of a price ceiling policy with a record of success far greater than expected by its original sponsors. On the other hand is the constant weakness and indifference of administration manpower policies which have undermined and sabotaged price control.

ILSLEY DARES TO SUPPORT IT

Since Mr. King first announced the new program in October, 1941, there has been scarcely a murmur of public support for the price ceiling from members of the Cabinet other than Mr. Ilsley. Apart from the Finance Minister, it has been Donald Gordon himself who has taken to the platform to try and win public support for it, not because of personal ambitions, but because he believed with heart and soul that it was the only policy which could keep Canada out of the chaos and calamity of uncontrolled inflation.

As we start the decisive march toward victory; as nation after nation acclaims the success of this Canadian achievement, are we going to throw in the sponge? Are we going to yield to noisy and vocal pressure groups and abandon a mechanism which, despite its shortcomings, has a proved record of success in combatting the scourge of inflation?

Clearly, one man to whom Canada must look for courageous action *in this matter* is Mr. Ilsley himself.

In season and out, he has proclaimed the gospel of the price *ceiling. He is* the one minister who has steadily risen in public esteem because of the convincing honesty and sincerity of his advocacy of sound fiscal and economic policies in the conduct of the war.

What will Mr. Ilsley say now to the thousands of investors whom he will shortly approach on behalf of the forthcoming Fifth Victory Loan? Can he assure them that inflationary forces will be held at all costs, even at the cost of adopting a courageous and co-ordinated wage-price policy in place of the one-sided mechanism which has heretofore been operative?

Every shop, every business, every farmer, every employer and every wage or salaried worker is vitally concerned in the answers to these questions. What is needed from Ottawa (and especially from Mr. Ilsley) is forthright assurance that the Government is not using the McTague report as a smoke screen to cover its embarrassment at recent protest-vote elections; is not throwing the country to the inflation dogs in return for cheap support from vocal and organized groups of misguided or self-seeking persons.

* * *

EXAMINING WAR EXPENDITURES

The War Expenditures Committee of the House of Commons goes into action shortly. Assigned to the job of surveying our war effort in all its aspects, in ferreting out waste and inefficiency, in recommending how immediate economies can be effected, it has a high responsibility and a unique opportunity for public service.

The committee is divided into three subcommittees. Its total membership is 24, made up of 18 Liberals, four Progressive-Conservatives, one CCF (Coldwell), one Social Credit (Blackmore).

One subcommittee is to look into the RCAF, aircraft production, Navy and its supply, etc. Another is to examine Army expenditures and supply. The third is to study the Government-owned companies, Shipshaw, the workings of accelerated depreciation and excess profits agreements, wartime boards like WPTB and any other phase of the war effort neither of the other two committees deal with.

All such committees, of course, are predominately appointees of the Prime Minister. Its hearings are secret.

No organized provision is made for businesslike or expert investigation of matters under review; for employment of industrial engineers, accountants or others specially fitted to appraise the efficiency and economy of operations under review. Result is that in many items, committee members will have almost no basis for judgment as to its goodness or badness.

Much sincere and good work will go into the investigations. Some or much of it will be simply going through the motions for politics' sake.

It is far too close to politics when, as at present, representatives of the government which is spending the money, dominate every committee.

Our whole approach to this vital matter of reviewing the expenditure of public money is inefficient and inadequate. This should be purely a non-partisan function based on expert analysis and investigation and tested on highest business principles. It should not be handled by groups loaded with men put there for purposes of defending their party's record. It should not be entered upon in a spirit of partisanship.

Perhaps there is sometimes eager and assiduous digging into public expenditures when governments change. But here again the true function is not fulfilled, because here the purpose is not untinged with hope of embarrassing political opponents. Furthermore, effective control on wise spending of public money is possible only when it is being spent or immediately after. Examinations into the ancient history of expenditures don't do much for the taxpayers or for the character of our public administration.

Putting the job of checking whether the taxpayer is getting a good return for his tax dollars in the hands of a group of men who are free to dig for and expose the facts, and assisted by adequate machinery for getting and appraising the facts, would not only get the taxpayer more for less money. It would introduce a brand new quality of moral and physical health into our whole national life.

—Financial Post photo by Gordon W. Powley.

FARM REORGANIZER

Chief responsibility for the reorganizing and directing of Ontario agriculture falls on the shoulders of Thomas Laird Kennedy, Minister of Agriculture in the new Drew government. Col. Kennedy called the conference of 250 farm leaders in Toronto last week that appointed a provincial committee which will be given power and financial backing to make the fullest possible investigation into Ontario farm conditions. Objective is maximum production of war foods. A few miles west of Toronto Tom Kennedy operates a large fruit farm which his great-grandfather cleared 127 years ago. Shortly after returning from overseas service in the first Great War he was elected to the Ontario House for Peel County and, with the exception of one session, he has been returned ever since.

Cabinet to Ditch the Ceilings?

Political Trends Seen Influencing Ministers in Favor of McTague Wage Proposals — No New Inflation Control Devised

By KENNETH R. WILSON

OTTAWA.—Spurred by the McTague report and by the apparently rising vote against the King administration at Ottawa, the Federal Cabinet is reported here to be ready to abandon the two-year-old price ceiling and wage control policy enunciated by the Prime Minister Oct. 18, 1941.

While there will, of course, be no formal or outright admission that our price control system has been thrown out the window, it is widely accepted here that that can be the only result of the policy which the Cabinet is now understood ready to adopt.

Publication of the McTague report is being withheld at least until completion of the Canadian Congress of Labor (CIO) convention in Montreal. The CCL meeting starts Monday, Sept. 13, and goes through most of that week.

The major recommendations of the McTague majority report are understood to call for the creation of a Federal Labor Court with wide powers over wage and labor relations and a plea for wage relief by giving heads of families now receiving less than 50 cents an hour the right to negotiate for higher wages outside the wage ceiling.

The McTague report would also eliminate the cost-of-living bonus so far as future wage control policy is concerned.

The Cohen minority report is described as a flagrantly inflationary document with extension of the cost-of-living bonus to all workers and a 50-cent floor under all wages.

Although at midweek the cabinet was still awaiting word from Prime Minister King as to his attitude, it is taken for granted here that the McTague report will be accepted by the cabinet. It is further expected that Justice McTague himself will be named chairman of the proposed court and that if its powers are commensurate to those suggested in the report, Mr. McTague will become the dominant personality in wage and labor relations policy in Canada.

Open The Wage Dyke

Assuming this action is taken, and the report adopted, then the way would be clear for several hundreds of thousands of low-paid workers to seek increases in their basic wage rates. To what extent these increases could be restricted to heads of families and earning less than the 50-cent per hour minimum living wage, is not clear. The report is said to throw little or no light on this point. It deals in principles rather than in detail. It is also said to skim lightly over some of the obvious difficulties in preventing a wage adjustment of this type spreading through the entire wage structure of the country.

Further wage increases, on the scale envisaged by the McTague report, are held in the highest circles here to be quite incompatible with maintenance of the present price ceiling policy. Thus the implementation of the report is thought to mean the end of the present Canadian price ceiling and possibly as well the retirement from the WPTB of Donald Gordon and a dozen or more of his associates who have battled fearlessly the past two years to prove to the world that a ceiling policy was the best plan for fighting a successful anti-inflation battle.

Cabinet Divided

What appears likely (unless the cabinet experiences a complete change of heart during the next few days) is a situation where Canada becomes forced to abandon the very type of price control which is now being acclaimed in other countries. Both Australia and New Zealand have recently adopted ceiling price control.

Not yet clear is the position which Finance Minister Ilsley will take in this crisis. For two years he has fought almost single-handed in the cabinet to maintain the ceiling policy introduced by the prime minister. (It is remarked here, that in the intervening two years neither Mr. King nor scarcely any member of his cabinet has gone out of his way to support the ceiling policy.) Championship of the policy has been left almost entirely to James Ilsley and to Donald Gordon and his organization.

Ilsley To Retreat?

It is now thought unlikely that Mr. Ilsley will stand out against his colleagues in face of the present political situation and the McTague findings. In short, despite strong and determined public advocacy of the ceiling approach (an advocacy which was reiterated a few days ago

(Continued on page 2, col. 3)

Elson from Washington

U.K.-U.S. Postwar Alliance Now Seen as Certainty

- Wartime Co-operation is Basis for Postwar Collaboration
- U. K. - U. S. Alliance Gets United Political Support
- "Big Three" Meetings to Tackle Problems of a German Collapse

• Behind Prime Minister Churchill's and President Roosevelt's outspoken emphasis on continued British and American collaboration in the future lies the fact that the pattern of this co-operation has been worked out.

Not only have reliable sources close to the White House made it clear that the President's ideas run closely parallel to Mr. Churchill's, but that the President sees the machinery by which Britain and the United States collaborate today as the machinery by which peace will be built.

Plans for this postwar collaboration have been worked out in greater detail than many people imagine and further important conferences between these two nations which will be of the greatest consequence are coming up.

Prime Minister and President's ideas on the peace differ sharply from those of the man on the street. They don't believe there will be a peace conference when the last shot is fired. They think there will be a difficult transition period during which someone will have to keep the peace. Who? The victors, of course. This certainly envisages co-operation between Britain and the United States and also Russia if she joins our councils.

This means the combined staffs will have to meet and the joint councils of supply function during the truce. If these grow into large organizations embracing all the United Nations, well and good. That is the view held and expressed openly in the highest quarters this week.

• Don't look for the future British-American alliance, if you want to call it that, to be proclaimed in any formal document. Probably it will never be ratified by the United States Senate. It has been built up piecemeal already through wartime collaboration. To cite a prime example, the United States can scarcely avoid postwar collaboration with Britain so long as she is committed to the maintenance of bases from Newfoundland to the Caribbean for 99 years.

Although most official Canadians would deny it, this situation does present the question—How does Canada's "Self-acknowledged" foreign policy, of working both sides of the street, fare if London and Washington get together to make all the top level decisions? Obviously in the postwar discussions the greatest skill is going to be required to present and protect the Canadian position lest the Dominion unintentionally be squeezed between the two big powers.

Brooke Claxton, Mr. King's par-

(Continued on page 2, col. 3)

Manning Sour on Social Credit

Eliminate 5% Consumer Bonus on Alberta-made Goods

From Our Own Correspondent

EDMONTON.—Complete revision and reorganization of the Alberta Government's interim program of Social Credit and treasury branch system, announced here Saturday by Premier Manning, is seen by political observers as an admission that the whole scheme, launched five years ago with such extravagant promises of what it would accomplish, has been a fiasco after involving the province in a huge loss.

Main change is the elimination of the 5% consumer bonus paid to persons buying Alberta-made goods through transfer vouchers issued at treasury branches. This bonus, it has been claimed by proponents of the scheme, was one of the main services of the treasury branches, designed to induce people to buy more "Alberta-made goods," develop payrolls and Alberta industries. With the elimination of the bonus, which in three years has cost Alberta taxpayers $337,543, the incentive to buy products made in Alberta also has been wiped out.

Abandon Many Features

Under the new set-up the distinctive features of the system are being abandoned. Every treasury branch is to be used as a local government service office "in such lines as government, fire and life insurance, the issuing of licenses and permits, in addition to serving as local agents for various major government departments."

Treasury branches now also are to administer estates and other matters, services which up to now have been available only through the central government offices or through the "facilities of private financial institutions." This means, observers declare, that the branches are to discharge functions quite different from those for which they were established, and it is to the new ones the staffs will, it is reasonable to assume, be called on to give most of their time.

Up to March 31, 1942, deficits on the treasury branches were $1,099,282. The last budget estimated expenditure on treasury branches during the current year would be $373,130. This was apart from the reserve fund of $320,000 set up for "contingent liabilities."

Reduce Branch Deficits

With the treasury branches taking over services of major government departments, it is felt here they will be paid for by these departments, thus reducing the deficits on the branches.

Mr. Manning's announcement said, "It is hoped that through the changes the treasury branch services would be made self-supporting." Present re-organization, he said, is being carried out so that the entire overhead costs may be offset by investments and other earnings of the branches.

Last change is the lifting of restrictions between cash and trade claim accounts. Each depositor will require only one account, irrespective of whether he deposits cash, cheque, or transfer voucher, and against which he will be able to issue cheques or transfer vouchers or make cash withdrawals.

In Saturday's statement the government said that "much unwarranted criticism has been voiced in opposition political quarters regarding cost of treasury branch services without any recognition of the offsetting treasury branch earnings or the direct and indirect benefits to the public."

Kerr-Addison New Deep Ore Significant

Runs Better Than Half Ounce Grade for 30 to 35 ft. — Found in Drive

Located in what it was expected would prove only barren country, exceptionally rich ore—running better than half-ounce grade from muck samples—has been opened by Kerr-Addison Gold Mines at its deep 2,500-ft. level, The Financial Post is informed.

This 2,500-ft. level ore is found 1,050 ft. below the deepest previously developed ore and tends to confirm the theory that average mine grade is improving considerably at depth, a theory which was first suggested by rich drill intersections at the 2,000-ft. horizon.

Five Rounds Taken Out

The new ore, which turned up in a production line drive to tap ore bodies east of the shaft, angled across the drive with five rounds taken out (of 6 to 7 ft. each) running better than half an ounce gold per ton. Exceptionally high grade ore is showing in the north and south walls of the drive. The drive has now passed out of ore and appears to be about through the lava flows in which the rich ore was located.

Driving east on line is being carried on fairly rapidly despite the labor shortage with as much as two rounds a day being taken out. It is likely, however, that many months will elapse before the line drives east and west are finished at this horizon. Flat drilling to determine the extent of ore at this deepest horizon will then be undertaken.

Next Week

Pulp and Paper

The Financial Post's report on the Pulp and Paper Industry will be a feature of next week's issue. . . . a comprehensive statement of the place this important segment of Canadian industrial activity holds in wartime economy, and its postwar possibilities.

Expect More Civilian Goods In First Quarter of 1944

OTTAWA.—Although there will be some relief this fall in respect to textile and textile goods for civilian use, the most important changes in that regard are likely to occur in 1944.

This is the view of WPTB officials who have been closely watching the trend of civilian procurement both here and in the United States.

The first quarter of 1944 is expected to see a major improvement in release of critical metals to manufacturers of civilian goods. As previously reported in The Financial Post there is little prospect of any important upward revision of civilian production quotas of metals in the fourth quarter of 1943.

In regard to textiles, there has already been a sharp reduction in military demand during the last half of the year. This reduction is due to be further increased in the first half of 1944.

Overall, it is expected that military requirements of cotton goods for the armed services during the first half of 1944 will be at least 25% to 30% lower than for the corresponding part of 1943. A considerable part of that cut has already taken place.

In regard to woollens, the cutback in military demand is reported as even greater than in cottons. The armed services have made sharp reductions in their requirements of greatcoats and battledress.

Overoptimism in interpreting this cutback as automatically increasing the flow of civilian goods by a corresponding amount, is frowned on here. Shortage of manpower all across the textile board has already caused reductions in output. This reduction is of course reflected almost entirely in civilian needs so that the final flow of civilian supplies may be considerably less than the amount by which the services have reduced their demands.

Business of Farming

Ontario Farmers' New Deal

By GORDON L. SMITH

Last week Ontario's Premier George Drew and Minister of Agriculture, T. L. Kennedy, took the first steps to reorganize Ontario agricultural production along the lines promised in the recent election campaign.

The minister of agriculture called a convention of 250 farm leaders from all over the province. To this gathering at the Royal York Hotel, Toronto, Mr. Drew emphasized the seriousness of the food situation confronting Canada, suggested that this country could learn a great deal from the farm war organization of Great Britain and then asked the group to appoint a provincial committee to "prepare detailed recommendations to the Government dealing with the various problems faced by the farmers of this province."

To this committee, which was later appointed, the new Premier promised the fullest support. Said Mr. Drew: "As a Government we will immediately cloak that committee with full official authority to make all enquiries and obtain all evidence necessary to prepare their plans with full access to all the facts. Every assistance will be given to them by the Government of Ontario. They will be fully empowered under the Public Inquiries Act to hold such meetings and to call for such information as they deem advisable."

Up to the Farmers

Both the premier and the minister of agriculture made it clear that it was up the Ontario farmers themselves to work out their own agricultural program. Their own appointed provincial committee is to be given full authority and the necessary financial assistance to find out what is wrong and suggest remedies.

Premier Drew stated bluntly that food production in Ontario is threatened and at a time when still more production would be needed both during the remainder of the war and the reconstruction period to follow. For the present situation he explained that unfavorable weather was partly to blame but by no means entirely. Other controllable factors in his opinion were shortage of labor, shortage of farm machinery and a lack of planned production.

With these contentions the majority of the delegates at last week's meeting undoubtedly agreed. Most of them intimated that output of meat, dairy, poultry and other vital food products could be substantially increased, that the plant capacity was there if ways and means could be found for fully utilizing it.

What the new provincial committee will recommend will not be known for some months yet. Organization has just commenced and recommendations are to follow.

On British Pattern

What Messrs. Drew and Kennedy have in mind and hope can be adopted however, is a modified adaptation of the British organization for boosting food production. In a special article in The Financial Post almost two years ago, Mr. Drew, then just returned from England, outlined that system. Essentially it is based on local organizations appointed by the farmers themselves and which, through a central committee, advise and work with the government and direct the national plan for greater food production.

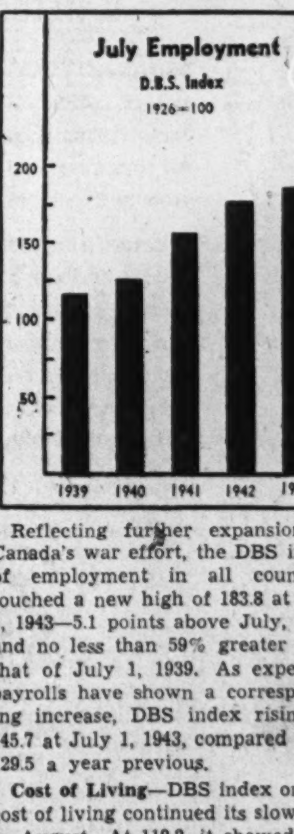
No Compulsion

The Ontario plan to be recommended is not expected to feature compulsory regulations. Most delegates at last week's meeting strongly favored entirely voluntary inducements, at least for a trial period. They pointed out the average Ontario farmer is pretty much of the rugged individualist type who resents anything that smacks of compulsion, would certainly not welcome too blunt "orders" from any committee no matter if he had helped to appoint it himself.

Some of these county men have local farm committees, appointed by the county council, to back up their work and since the war most of them have special food production committees functioning. It is generally conceded that the local agricultural representatives and his various committees have done invaluable work, but there is a fairly general complaint that they have tended to fight a little shy of the hard boiled practical side of farming, of the questions of prices and markets. In fairness to the "Representatives," who are provincial civil servants with no special powers, it should be mentioned that for years there has been a good deal of political dynamite in such questions and they were probably justified in treating them with caution and diplomacy.

A special county committee, however, appointed by the farmers themselves and clothed with real authority from the Government, should be in a much better position to tackle these questions, and the agricultural representative with his special knowledge of local conditions should form an invaluable assistant to it.

Pace of Business



Reflecting further expansion of Canada's war effort, the DBS index of employment in all countries touched a new high of 183.8 at July 1, 1943—5.1 points above July, 1942, and no less than 59% greater than that of July 1, 1939. As expected, payrolls have shown a corresponding increase, DBS index rising to 145.7 at July 1, 1943, compared with 129.5 a year previous.

Cost of Living—DBS index on the cost of living continued its slow rise in August. At 119.2, it showed a .4 gain compared with .3 and .4 gains for July and June respectively; increase over a year previous is 1.5 points.

Flour Production — Increase in flour production continues most marked; 1,945,123 bbls. were turned out in July against 1,590,219 bbls. a year ago, while total of 14,104,738 bbls. for 1943 to date represents an increase of 24.6%.

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Will Cabinet Veto Ceiling After McTague Report?

(Continued from page 1)

when the Finance Minister exhorted the Trades and Labor Congress at Quebec to support the ceiling) it is now believed that Mr. Ilsley is no longer willing to buck the cabinet.

As yet, there is almost no evidence at Ottawa that the government's fiscal and economic advisers have devised any satisfactory alternative to the present ceiling policy of price control.

After two years of experiment, there is more conviction than ever that price control cannot succeed unless it has an anchor. To date that anchor has been the general level of prices which prevailed in Canada during the late summer and autumn of 1941.

What apparently baffles Ottawa's present price control authorities is how it is possible to prevent a runaway inflationary debacle once the over-all price ceiling policy is abandoned. It is pointed out that to extend the subsidy principle under conditions of sharply advancing wages would be little short of suicidal. Subsidies under such conditions would mount out of all proportion.

An alternative would be to resort to the British plan of pegging the prices of selected essential goods and allowing other prices to rise. This is probably the most likely alternative but one which was discarded by the government originally in 1941 because of the supposed difficulties of enforcement in a country like Canada.

Britain is Different

In Britain, it is stated to be possible to rigidly control the production and output of essential versus luxury items. For one thing, the range and variety of merchandise is tremendously reduced and in the case of foodstuffs almost all supplies are rigidly controlled by import and other authorities. How to set about making arbitrary decisions in the present Canadian economy between essential and non-essential goods without a tremendously increased organization and far greater controls than are now operative is one of the questions asked.

One matter about which price control authorities feel very strongly is that in the past two years they have fought the battle against inflation almost single-handed.

There is the lowest possible estimation of the way in which corresponding wage ceiling controls have been operated.

What it is hoped may yet emerge out of the present crisis is some new policy in respect of wages and labor relations which can be teamed alongside price control so that the two can be operated with parallel strength and effectiveness.

Another question that is being asked is who would replace Donald Gordon if the present chairman were to decide that he could no longer conscientiously support governmental policy in respect of price-wage stabilization?

To an amazing degree, Mr. Gordon has won the respect and support not only of those who are associated with him but also of those who were at the first, most actively in disagreement on the general principle of an over-all price ceiling. Were he to resign there is no doubt that a very considerable number of his associates would resign as well and that faith in the administration of inflation control in Canada would be at a low ebb.

To expand and operate a new policy under such conditions might prove to be an almost impossible task irrespective of how far the government was prepared to support a new anti-inflation program.

Banker Joins Paper Boards

H. J. Coon Named Director of J. R. Booth Ltd., and E. B. Eddy Co.

Harry J. Coon has been elected a director of the E. B. Eddy Co. and J. R. Booth Ltd. It is understood Mr. Coon represents Garfield Weston on the boards of these two companies, control of which was purchased by Mr. Weston this year.

HARRY J. COON

Mr. Coon was formerly executive assistant to the general manager of the Bank of Nova Scotia. Last January he was named chairman of the advisory committee to the treasury board on administration of personnel in the public service, a committee appointed by the Dominion Government to investigate and make recommendations in all phases of personnel administration in every branch of the government service. He is a native of Belleville, Ont., and a graduate of Queen's University, Kingston.

Bell Turns Down 62,000 Applicants

From Our Own Correspondent

MONTREAL. — Close to 62,000 applications for telephone service have been refused by the Bell Telephone Co. of Canada during the past 16 months.

In Montreal alone, thus far this year, more than 11,130 applications for resident and resident-extension services have had to be rejected because of non-essentiality in Canada's war effort.

U. S. Publishers Criticize Ruling On Wood-cutting

Special Correspondence

WASHINGTON. — Canada's official policies in respect to manpower and newsprint are creating here a delicate and highly explosive situation. So far, little of the undercover criticism of the Dominion's manpower regulations has come into the open, but it threatens to break out at any time.

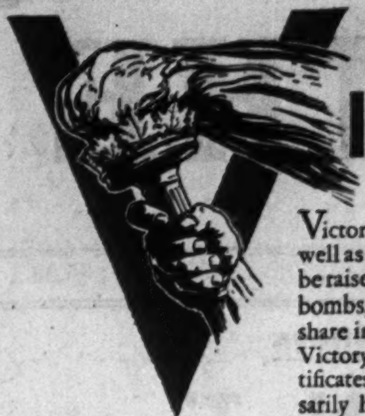
The publishers here are not satisfied with the answers given them by Canada. On two successive days the New York Times, one of Canada's best newspaper friends in the United States, had editorials pointing out the desirability of making wood-cutting an essential occupation. The Times concurred in the findings of Congressman Boren's committee that recently visited Quebec.

Informally, representations have been made to Canadians here on the same subject. The answer that Canada's manpower needs will not permit the designation of wood-cutting as essential will not suffice. Publishers are familiar with the Quebec situation and with the fact that Canada's draft laws are for home defense service. As the paper shortage tightens they will be even more inclined to question Canada's decision in respect to this industry.

If publishing is essential, they say, wood-cutting is an essential occupation.

Canadian Celanese Co. Declares Extra on Stock

Canadian Celanese Co. has declared a quarterly dividend of $1.75 a share on the preferred stock, also 25c. a share on the common, plus an extra of 25c. All dividends are payable Sept. 30 to shareholders of record Sept. 17.



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Elson from Washington

(Continued from page 1)

liamentary assistant, told us recently in Washington Canada wished to co-operate closely with the United States in defense of the American continent, but would find it more convenient if Britain were included as an outpost or bastion of American defenses. Governor Thomas Dewey of Ohio, who is the champion "Shrinking violet" of potential republican presidential candidates, agreed with him when the republicans met at Mackinac Island.

Dewey's endorsement of a British-American defensive alliance the day before Mr. Churchill advanced almost the same idea at Harvard shows how far American opinion has moved. Although Mr. Claxton said that Canada would like to see postwar instruments of the United Nations set up immediately, the fact is many people here see British-American teamwork on a practical level as preferable to blueprints that have to be debated and chewed over in public—and hence never applied because of lack of complete agreement.

• A source that cannot be questioned did make it clear this week that a meeting between the foreign ministers of Russia, Britain and the United States now appears to be possible. This is the next best thing to the meeting of the "big three,"—Roosevelt, Churchill and Stalin—and Russia is to be offered a place on a Mediterranean Commission, the scope and purpose of which have not yet been announced. This concern for the reconciliation of Anglo-American and Russian foreign policy is a very evident reflection of the possibility, that is not discounted even in the highest quarters, that Germany may soon collapse.

The same source quoted above insists that while Britain will not bet on a breakdown in Germany, the great unknown factor is the psychological one—the effect of the war on great masses of people. At present we are not dealing with soldiers and politicians alone, as in Napoleonic times, but with whole peoples. The Germans are in for some great shocks in the next four months in the sense of seeing most of their allies leaving them and of being surrounded by ever-greater war potentials.

Under such psychological stresses the view is held in the highest quarters the Germans may yet suddenly come to the impression they are beaten and turn over the pages in the rule book to the chapter on "How to Surrender." This situation exists, yet no one dares gamble on it.

Unlisteds Show General Strength

Plaxton, McDonnell & Co. state strength was general throughout the unlisted stocks during the past week, with volume higher.

B. C. Pulp & Paper 7% pref. advanced two points at 70-75. Canadian Industries Ltd. "B" common gained one point at 162-164. Canadian Motor Lamp "A" was fractionally stronger at 9-11. Canadian Westinghouse gained ½ point at 45¼ bid.

Federal Grain $6.50 pref. sold at 87 for a gain of four points, then closed 86-88; the common sold at $4.60 for a gain of 40c. then closed $4.45-$4.80. Gurney Foundry pref. gained fractionally at $2.20 bid. Minn. & Ont. Paper common showed a similar advance at $8.00-$8.40. United Steel "A" pref. gained ½ point at 24 bid.

Municipal Bonds

Sept. 7, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	111.00	114.00	2.72
Montreal	5	1945	98.00	102.00	*
Ottawa	4½	1945	103.00	104.50	2.07
†Quebec	5	1959	118.00	121.00	3.30
Saint John	5	1950	106.00	110.00	3.45
†Toronto	4½	1955	123.00	125.50	2.00
†Vancouver	5	1950	113.50	117.50	4.31
Winnipeg	5	1944	100.00	102.00	1.96

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.25	3.56
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.80	4.15
Can. Investors	5.75	6.25
Corp. Investors	6.30	6.80
Trans-Canada	11.05	12.00

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KEEP YOUR BUSINESS EYE ON BRITISH COLUMBIA

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OF CANADA'S PRE-WAR SHIPPING

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WHEN Canada moves into the post-war era of world trade, what part will British Columbia play?

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The outgoing cargoes were overwhelmingly the products of British Columbia's industry . . . its forests, mines, fisheries and agriculture. During the late 1930's these industries grew enormously both in purchasing power and payroll strength. The still greater expansion they have since undergone through war conversion will increase their productive capacity to new levels in the post-war years ahead.

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"The Major Medium in a Major Market!"

In Your Opinion—

Our Share In World Trade

The Question: What steps should be taken now to assure Canada her proper place in postwar world trade?

Geo. F. Baynton
Editor, Times, Lloydminster.

The maintenance of cordial relations with foreign countries and frank discussion with them of the probable needs of all, with a view to obtaining the most economic production of these requirements, would seem to be a good beginning which should be followed up with the dissemination of these findings to the citizens of the nations concerned.

* * *

Thos. Bata
President, Bata Shoe Co. of Canada, Batawa, Ont.

At least one fourth of Canadian industrial capacity will have to work in the export trade, if we are to eliminate entirely any risk of postwar unemployment.

The chances for establishing strong Canadian participation in international business are better now than ever before owing to:

1. The elimination of unfair competition by the Japs, Nazis and Italians, who exported either the products of half-slave labor or forced their goods under the point of a gun, or by the financial support of governments for political purposes.

2. Most of the nations are starving for industrial goods and a great number of factories all over the world have been destroyed.

However good natural conditions for export are, Canada will gain her rightful place only by a thorough export policy and closest co-operation between government and industry during the war as well as after.

Objects of such a policy are:

1. Expanding Canadian merchandise now on the market as much as possible. It would not be wise to put all the eggs in one basket and favor only countries where export business existed prior to the war, but it is essential to develop new markets.

2. Securing business contacts with customers at the present time.

3. Building up export contacts now, for industries in whose products is exported a great deal of Canadian skill and labor.

4. Combining direct export trade with direct importation of raw materials (direct purchasing of rubber, hides, woollens, etc.)

5. Securing in the educational system of the country, the facilities for training youth for all special services of the export business—that is, in languages, shipping and tariffs, financing, personal travelling salesmanship, market analysis and advertising.

* * *

Elie O. Bertrand
Member of Parliament for Laurier.

The tremendous capacity of production of the Canadian people and the unlimited natural resources of Canada will eventually make us a very strong contender for the postwar world trade. To be successful in such an important and intricate international enterprise the Federal Government must immediately take steps to direct our production so that for many years to come it will suit the exact needs of the purchasing countries, either in foodstuff or manufactured goods. That will be of absolute primary importance and will prevent us from entering the field of world competition of consumable goods of a secondary rating. The government must also prepare now to give necessary transportation services and to make such financial adjustment and arrangements as to enable the interested parts of the world to buy from us.

* * *

A. A. Bolte
A. A. Bolte & Co., Toronto, chairman recently formed Canadian Exporters Association.

Our government must make certain that we are properly represented on all international councils dealing with this problem, and make sure that no postwar trade arrangements are made by any of the United Nations without our government being consulted, so that we may follow the same general plans. Although it may be necessary to extend credit or mutual aid to many countries the tendency to develop commercial business on a government to government basis upsets normal trading channels, may prove eventually detrimental, and is deplored by Canadian exporters. It is important that the government enlist the assistance of practical and experienced exporters.

* * *

G. M. Clemons
Secretary, Holstein-Friesian Association of Canada, Brantford, Ont.

We should maintain a continuous survey of the probable needs of the postwar world and furnish up-to-date information to the interested manufacturers or commodity groups. This is particularly necessary in agriculture, which cannot make rapid changes.

Men who are thoroughly conversant with Canadian industry should be in constant contact with the governments of all countries where we hope to trade, and should also represent us all on international rehabilitation commissions. The government should give leadership but its efforts should be closely coordinated with those of private industry.

* * *

Isaac Bruck
President, Bruck Silk Mills Ltd., Montreal.

First of all a longsighted viewpoint and balanced action must be taken immediately by Canadian industry and the government, in unison. Steps must be taken to see that the contact with Canada's pre-war markets are maintained and that Canada supplies in civilian commodities, the needs of those markets which she supplied in pre-war times. This business should be maintained to not less than the limits imposed on our production by war needs. In order to ensure necessary control and prevent the diversion of such business to other countries there must be set up in Canada the necessary boards such as now exist in the United States. The formation of the recently established Canadian Exporters Association can, and will, do much in aiding the Canadian exporters and the government in achieving this end.

* * *

George Cruickshank
Member of Parliament for Fraser Valley, B.C.

In view of the great industrial expansion we should have information available as to manufactured goods for export as soon as possible after the war.

Pay agriculture fair prices now that it may plan production both for war and the period immediately after when food will be the best article with which to establish new markets and secure and maintain the goodwill of other countries.

Attend and encourage the holding of further gatherings such as food conferences, paying particular attention to China, making gifts of wheat and other supplies.

Place additional trade commissioners in all allied countries to study postwar needs and establish friendly trade connections.

* * *

R. J. Deachman
Well-known writer and speaker on economic subjects, former M.P., Ottawa.

These things are essential to the improvement of Canada's position in world trade:

(1) Wage rates within our capacity to pay.

(2) Full employment of labor and capital.

(3) Lower prices as the result of improvements in the methods of production.

(4) Lower business taxes with the same objective.

(5) Greater stability of industrial earnings.

Item number 5 is the natural corollary of the previous four. With the implementation of these policies production would increase, world trade expand, business horizons widen, and in that general increase of business Canada could not fail to get her share, if in other ways we were worthy of it.

* * *

R. H. Davis
President, Atlas Steels Ltd., Welland.

Industrialists should do everything possible to put their house in order to meet the gruelling export competition after the war. Waste and inefficiencies which have accompanied the recent rapid building and organization expansion must be eliminated. Personnel must be trained in modern methods of handling exports, stressing high quality and lower cost.

The government should increase help to manufacturers by expansion of commercial intelligence service. It should also make definite allocations now of a percentage of materials or products to maintain commercial contacts abroad. Mutual aid should be administered so as not to interfere with commercial trade. Machinery for handling long term credits must be developed, also extensive Canadian steamship lines to carry our own freight.

All present commercial trade should be handled direct by industries according to allocation.

R. M. P. Hamilton
President, General Engineering Co., Toronto.

I suggest a full time board under an executive chairman and general manager drawn from industry and ranking with senior cabinet and deputy minister respectively. This would administer planning divisions, including facilities for analyzing and meeting desirable changes in internal and external population requirements and marketing. It would also handle industrial research to develop Canada's natural resources and productive capacity, also commercial research to develop minimum requirements of financial and commercial controls for directing utilities, manufacturing, construction and marketing energies into sound complimentary channels. It is important that this be the senior federal organization so its plans may authoritatively integrate efforts and contributions which will be essential from all Canadian departments and organizations, if we are to achieve satisfactory minimum employment and facilities.

* * *

F. R. Harris
Editor, News, Vernon, B.C.

Canada should insist on full, equal partnership on all production planning boards and at all allied conferences. In the immediate postwar era Canada should expand agriculture to the utmost capacity to absorb men from armed forces and to place this country's contribution in war and peace in forefront of world's peoples.

* * *

T. Tilston Jones
Garden City Times, Magrath, Alta.

We believe that the products of the farm are Canada's greatest asset for postwar trade. Therefore the many problems of agriculture should receive serious and careful study to the end that the farmer's position in Canada's economic life be made secure. We consider wheat to be Canada's chief export commodity and therefore the peacetime wheat exporting countries should meet in order to set a proper control quota for each, thus avoiding the mistakes of the pre-war period. An export policy must be arranged now and a price assured to justify production and fill the world granaries at the war's conclusion.

* * *

F. P. L. Lane
President, Canadian Manufacturers' Association.

Canadian exporters should be planning now to take advantage of the opportunities in postwar markets as far as war needs will permit. Many are now doing this. Canadian firms improving their products for postwar markets should be allowed the use of materials and skilled workers to experiment with new models, subject to war demands.

The enterprise and resourcefulness of Canadians which made Canada the world's fourth largest exporting country before the war will be the greatest factors in the recovery and expansion of external trade. In the future as in the past the government through its departments and agencies can give very valuable assistance, in co-operation with private enterprise. The government should be guided by the advice and experience of exporters in preparing for the peace treaty and in planning for world trade after the war.

* * *

J. Orlon Livingston
Editor, Independent, Grimsby, Ont.

Postwar work and trade development is a big question and must be planned in a big way. In laying plans for doing necessary and beneficial work we must not be niggardly in the expenditure nor extravagant. In our planning we must try for development work that the various classifications of men being mustered out of the service will fit into, laborers, mechanics, white collar men and so forth.

Dominion and provincial works should be planned on a large scale but each municipality should now be formulating plans and ideas of their own. I believe that it would be a great step forward if Premier Drew would call a conference in Toronto of all mayors, reeves and wardens of the counties to discuss this subject.

* * *

D. R. Moffat
Vice-president, Moffats Ltd., Weston, Ont.

This problem is closely connected with general postwar planning. However certain steps should be taken immediately by the government.

(1) The appointment of a prominent Canadian industrialist to represent our interests in Washington should be considered. He should have a high enough status to sit in on meetings composed of combined production and resources board, British supply organizations, Dominion and Colonial missions, and other international organizations located in Washington.

(2) The Department of Trade and Commerce should increase the Trade Commissioner service by at least 50%. Consideration should be given to placing commissioners where Canadian business has not yet been developed.

(3) A certain quantity of essential civilian goods and other important products apart from the present lease lend shipment should be allocated to service previously established by export markets. The Department of Trade and Commerce should be solely responsible for the quantity

(Continued on page 5)

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H. F. STRUCKETT, Manager

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CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

Friday, the First Day of October

next, to Shareholders of record at the close of business on the Fifteenth day of September 1943.

By order of the Board.

Walter F. Watkins, Secretary.

Toronto, August 18th, 1943.

Investing for Tomorrow (Article No. 10)

Rating the Newsprint Makers

Frozen for Duration, Status of Companies is Readily Gauged

By JOHN LANGDON

"Tell me what kind of newsprint market will exist after the war, and I'll tell you which company to invest in." This is the way one of the best informed authorities sizes up the investment possibilities of the Canadian newsprint industry.

If there are to be no controls, or a minimum of regulation, a scramble for business may result. Then the company to back is one with the salesman type of management. It may not be best, nor the most economical, but it will get the business and volume is the lifeblood of the newsprint industry.

On the other hand, if present controls are to be extended, the conservative, economical type of management is the one that will do best by its shareholders.

No one can foresee how the after-war market will shape up. Therefore, all things being equal, flexibility of management is the "key" to investment in Canadian newsprint securities.

Having the key is one thing. Knowing the company or companies in which to invest is another thing. There are some which have advantages not enjoyed by their competitors. There are variations in timber limits, power contracts, transportation facilities, efficiency of mills, customer relations, debt charges, etc. All these are factors which must be considered in conjunction with management. However, the investor is interested in results and the way in which management utilizes the resources under its control finds reflection in the financial statement.

25 Operators in Field

There are 25 newsprint operators in Canada. They range in size from the tiny St. Raymond Paper Co., which manufactures paper for the Montreal Star, to the giant Canadian International Paper with markets the world over. Only 12 of them are of interest to the investor. The rest are privately owned, or like Bathurst and Provincial Paper, classified as other than newsprint companies because the major share of their income is derived from other sources.

Since last September all these companies have been under government control. Administrators of the Wartime Prices and Trade Board can and do tell each operator how much to produce, where to ship and to whom. Management, in effect, is an agent of the Crown. On the other hand, the operators know their share of available business and, knowing their costs, can estimate very closely what profit will be at the end of the year.

This year the Canadian newsprint industry expects to produce 3,040,000 tons of newsprint paper. Last year it produced 3,177,094 tons. The year before 3,425,865 tons and in 1939, 2,869,266 tons.

Whether or not the industry achieves its objective depends upon the adequacy of the pulpwood supply. This in turn will be determined by the availability of manpower.

How Operators Share Business

There are signs to indicate the operators will be fortunate if they can produce 3,040,000 tons this year. If they do, here is how the tonnage will be divided among them:

	Established Percentage*	Estimated Share of 3,040,000 Ton Market	Estimated 1943 Ratio of Operations**
Can. Int. Paper	15.89	483,056	70.5
Abitibi	13.01	395,504	66.
Consolidated	12.90	392,160	62.5
Price Bros.	8.52	259,008	69.
Powell River	5.65	171,760	70.5
Spruce Falls	4.84	147,136	74.
Anglo-Canadian	4.70	142,880	73.
Minnesota-Ontario	4.31	131,024	70.5
Ontario Paper	4.28	130,112	80.0
St. Lawrence Paper	4.11	124,944	66.5
Quebec North Shore	3.32	100,928	84.5
Great Lakes	2.76	93,904	80.5
Mersey Paper	2.68	81,472	75.5
Lake St. John	2.30	69,920	68.
James Maclaren	2.30	69,920	69.5
Donnacona	1.87	56,848	67.
Pacific Mills	1.85	56,240	75.5
Donohue Bros.	1.07	32,528	68.
E. B. Eddy	1.00	30,400	65.
Brompton	0.93	28,272	44.5
Beaver	0.60	18,240	72.5
Bathurst	0.39	11,856	64.5
J. R. Booth	0.30	9,120	60.5
St. Raymond	0.30	9,120	117.
Provincial	0.12	3,648	36.5
	100.00	3,040.000	69.1

*Based on contractual position, operating costs, wood supply, past performance and other factors.
**In relation to capacity rating.

This table in itself is of basic importance. The "established percentage" has been determined by the Newsprint Administrator. The estimated share of total business available to the individual company is unofficial and has been compiled by The Financial Post. The percentage of error is so small as to be without significance. The same remark applies to the indicated operating ratio.

How Control Works

Because of power shortage, wood supply, transport difficulties, etc., some of these mills will not be able to produce their share of available business. In that case other companies will do the manufacturing. The company "giving up" tonnage will receive from a central pool an amount equivalent to the profit it would have made had it handled the business itself. The company manufacturing receives its costs, and where a more efficient mill handles the business, the difference in profit is held in trust by a pool managed by the Canadian Commodity Stabilization Corp.

This is the method of operation for the duration. Each company has a fixed percentage of the total business. Profits move up or down depending upon the volume of tonnage manufactured by the industry and, of course, the selling price. There is no competition, except to a limited degree on "overseas business."

Postwar May Differ Radically

For the postwar, the situation may differ very radically from the investors' point of view. With the restoration of normal trading conditions and removal of restrictions, demand for newsprint paper should tend to rise. This has been discussed more fully in the article No. 8 "Investing for Tomorrow."

Whether price will keep pace with demand depends on the need of the Scandinavian countries especially Sweden and Finland, to secure foreign credits. It is conceivable that Finland (most active of Scaninavian producers in the international newsprint market) may convert more of its pulpwood into high grade pulps for export. In the past, the competition from the Scandinavian countries has been important, more from the point of view of price than of the tonnage involved.

Of greater importance is the extent to which Canadian manufacturers act collectively to meet common postwar problems. With the experience of the last 10 years, it is not unreasonable to expect that they will work together. In that event the outlook is for stabilized operations.

Progress of Operators

It is necessary to appraise the 12 companies in which there is a public investment interest along broad lines. The place which the individual company occupies in the group is of prime importance. Some operators are doing better than others. They may have a stronger management, pulpwood costs may be lower, transportation charges less, etc. Whatever the cause, it shows up finally in the financial statement.

An attempt to measure progress is set out in the following table which shows relative balance sheet changes for the 12 companies on a basis of per ton daily capacity. The period covered is 1936 to 1942, during which time the operators experienced a business recovery, relapse and wartime conditions.

IMPROVEMENT IN BASIC POSITION—1936-1942
(On Basis Per Ton Daily Capacity of Newsprint)

	Working Capital Gain	Bonded Debt Reduction	Addition to Property	Net Gain
Abitibi	$9,957.20*	$5,688.50	$1,537.60	$10,722.90 (1)
Brompton	7,359.40	†2,374.60	9,923.10	14,907.90
Can. Int. Paper	7,325.30	3,183.70	1,708.10	12,217.10
Consolidated	9,548.00*	3,914.00	1,581.00	10,162.40 (1)
Donnacona	4,008.30	248.00	3,335.60	7,591.90
Great Lakes	5,246.30	2,480.00	4,665.50	12,391.80
Lake St. John	6,265.51	1,221.40	1,035.40	8,522.31
Maclaren	(2)	(3)	1,463.20	..
Mersey	4,603.50	†9,064.40	7,436.90	2,976.00
Minnesota & Ontario	9,408.50*	(4)	(5)	..
Price Bros.	6,965.70	2,135.90	1,232.10	10,333.70
St. Lawrence Paper	5,611.00	1,103.60 (6)	449.50	7,164.10

* During all, or a large part of this period, these companies did not pay bond interest.
† Increase in bonded debt.
(1) After allowance for interest unpaid: Abitibi $6,460.40, Consolidated $4,880.70.
(2) Not available; accounts incorporated with those of parent concern.
(3) Company has no funded debt.
(4) Debt reduced through reorganization.
(5) Company reorganized and assets written down.
(6) No bonded debt; figure represents reduction in Preferred stock.

Shows Only a Trend

These figures should not be taken too literally. On the surface, the over-all gain shows Great Lakes Paper to be the most efficient operator in the group. This is not necessarily the case. The fine showing by this company has been due, in large measure, to the fact that until recently it operated at a higher rate of capacity than the others due to publisher-stockholder connections.

This table does, however, show a relative trend in the basic position of each company listed. Most of these companies have been subject to pro-rating of business for all or the greater part of this period. It is apparent that some have done better than others.

So much for the financial position. What of operating efficiency? How much do these companies make per ton of newsprint? How does demand affect profits? What effect has price on profits?

Profits in Relation to Capacity

The complete answer is not available. A majority of the group have revenues from sources other than newsprint and which cannot be segregated from published accounts. Very few make public the number of tons of newsprint produced.

From public statements it is possible to make up a comparative table to show the relative trend of gross profits on a basis of per ton of annual newsprint capacity. Because these figures may be subject to misinterpretation it cannot be too strongly stressed that the figures shown in the tabulation do not represent the gross profit on a ton of newsprint. All they do is to set out a trend of profits from all sources in relation to newsprint capacity.

GROSS PROFIT ON BASIS PER TON OF ANNUAL NEWSPRINT CAPACITY*

Base News. Price, U. S.	$50.00	$50.00	$50.00	$50.00	$50.00	$42.50	$41.00
Operating Ratio of Indus. %	72.2	78.9	98.3	66.8	62.4	93.9	77.8
	1942	1941	1940	1939	1938	1937	1936
Abitibi (4)	$15.17	$17.40	$14.16	$ 6.53	$ 5.79	$ 9.28	$ ...
Brompton (1)	23.72	29.09	21.86	12.17	6.34	11.57	8.30
Can. Inter. Paper	13.93	22.73	17.02	8.18	5.06	11.72	10.55
Consolidated (1)	12.39	14.14	13.51	8.14	6.09	7.41	5.03 (2)
Donnacona	15.62	15.43	12.89	9.04	5.92	7.21	3.36
Great Lakes	19.72	16.98	15.51	9.06	6.93	7.87	...
Lake St. John	12.31	10.83	10.88	7.56	5.69	9.78	7.74
Maclaren (1)	13.86	11.15	11.45	NOT AVAILABLE			
Mersey	7.34 (5)	13.12	13.44	14.38	7.95	8.79	7.68
Minnesota & Ontario	20.29	18.28	9.17	11.50	4.52	7.34	4.98
Price Bros. (1)	13.09	14.48	13.79	5.52 (2)	5.03 (3)	7.69 (03	4.77 (3)
Price Bros. (1)	13.09	14.48	13.79	5.52 (2)	5.03 (3)	7.69 (3)	4.77 (3)

(1) Exclusive of investment income or profit from sale of investments.
(2) 9 months only.
(3) Year ended March 31.
(4) Includes sale of power — averaging $876,000 annually over period, or $1.45 per ton of capacity.
(5) Reflects increased costs due to changeover from water to rail shipments.
*It is important to note that with few exceptions, these companies had other income from sale of pulp, kraft and paper products, lumber, etc. These figures, therefore, indicate a trend of income and not necessarily an indication of operating efficiency or profits in respect to newsprint.

Influences on Earnings

Some highlights of this table may be of interest:

Over the period the base price of newsprint in the United States market, which takes over 80% of the Canadian output, ranged from $41 to $50 a ton. From the outbreak of war to March 1, 1943, operators received a premium of 10% on sales in U. S. funds in terms of Canadian dollars. Currently the base price is $58 a ton; the premium $5.80.

Ratio of operations has ranged from a low of 62.4 in 1938 to a high of 93.9 in 1937. This year the ratio is expected to average about 69.

Abitibi has an important source of income in the sale of sulphite pulp, as is true with most of the other companies.

Brompton, which is represented in the stock market by St. Lawrence "A" stock, derives a greater share of its income from the sale of kraft products and fine papers than from newsprint.

Donnacona has an important sale of building board.

Minnesota & Ontario Paper's returns include those of American subsidiaries, which have a large output of building board, etc.

Basis For Appraisal

Collectively these tables give the investor:

(1) The amount of business a company is entitled to under the present government pooling arrangement, which can be expected to last for the duration;

(2) The method of computing the "established percentage" gives an insight into the position each company occupies in the market, operating costs, etc.;

(3) The improvement recorded in finances from 1936 to the end of 1942;

(4) Profit making possibilities as determined on a basis of per ton of annual newsprint capacity.

While a qualifying statement might be applied to almost every figure given, this table, in conjunction with the other two, should give the investor sufficient basic material respecting the merits or demerits of the individual companies in which there is a public investment interest.

Company Reports

Dominion Square Bldg.

Dominion Square Corp. reports for the year ended April 30, 1943, an increase in gross income and a reduction in net loss after payment of taxes, bond interest and depreciation. Operating revenues for the year totalled $496,730, reflecting increased occupancy of the building. While a certain amount of space is under government lease, Andrew Fleming, president, points out that only a low percentage of the rentable area comes under this category.

During the year the bonded debt of the company was reduced from $3,457,250 to $3,343,750.

Income and Surplus Account
Years Ended Apr. 30

	1943	1942
Gross income	$496,730	$451,954
Less: Expenses	179,172	164,296
Taxes	116,868	128,188
Bond interest	135,622	138,516
Depreciation	85,000	51,352
Net loss	19,931	30,398
Previous deficit	117,157	86,759
Deficit forward	137,088	117,157

Power Corp.

Power Corp. of Canada's financial statement for the year ended June 30, 1943, reveals a gain in gross income, a moderate drop in net profits, and marked improvement in market value of investments.

Gross income at $1.6 million showed a gain of $34,000 over the previous year. This was more than offset by the increase in tax provision, with the result net profits available on the common stock dropped to 35 cents a share, as against 44 cents in the 1942 fiscal year.

At the end of last June investments of the company had a book value of $26.6 millions, or a little over $200,000 less than the year before. Market value, however, at over $22.1 millions, shows an increase of more than $4.1 millions. In this connection A. J. Nesbitt, president, says the increase was due "primarily to the higher market value of the securities of the company's subsidiary and affiliated hydro electric and utility companies, which comprise over 68% of the total investments."

During the past year the corporation effected a further sizeable reduction in its debenture debt.

Income and Surplus Account
Years Ended June 30

	1943	1942
Gross income	$1,605,518	$1,571,732
Less: Oper. expenses	200,206	188,845
Exec. salaries	25,542	27,726
Directors' fees	7,450	7,570
Legal expenses	1,278	2,654
Depreciation	1,200	1,200
Debent. interest	480,333	488,199
Pension fund	10,000	10,000
Tax provision	134,000	57,720
Net profit	745,509	787,818
Less: 1st pref. divd.	300,000	300,000
2nd pref. divd.	300,000	300,000
Common	133,909	133,909
Net profit	11,600	53,909
Prev. surplus	2,061,266	2,007,357
Add: Profit on secs.	229,491	67,395
Less: To reserve	229,491	73,037
Surplus forward	2,072,865	2,061,266
Earned on common	35c.	44c.

Balance Sheet Changes

	1943	1942
Cash	$618,978	$529,570
Investments*	26,646,213	26,866,072
Debentures, 5%	1,075,100	1,103,100
Debentures, 4½%	8,192,500	8,494,000
*Market value	22,162,991	18,009,788

Montreal Stock Sales Still Ahead of 1942

Montreal Stock Exchange and Montreal Curb Market report that volume of trading in industrial stocks during July showed a sharp decline. During the month, 316,313 shares were traded. This compares with 818,395 during July, 1943, and 117,658 in August a year ago.

Manitoba Tax Collections Up

Municipal statistics of Manitoba show tax collections for 1942 to have exceeded current levies by 13.09%, the highest return in years, resulting in a reduction of over $1 million in arrears. The figures given include all municipalities except cities.

The increase in collections of arrears was achieved in spite of an increase in the total taxes imposed, which amounted, for 1942, to just over $8 millions. The largest percentage over current levies came from the rural municipalities, with collections of 115.5% of current levies. All municipalities, however, showed net repayment of arrears, as they did in 1941 also, with a 11.4% collection. Since 1933 collections as percentages of levy have fluctuated widely, being more than 100% as far back as 1934 and less than 100% as recently as 1940. Rural districts have, since 1933 consistently paid a larger proportion of their levies.

Total debentures outstanding and deferred liabilities of the municipalities stand at about $12.4 million dollars and total tax arrears at $12.9 millions. Since 1933 debt reduction has roughly paralleled reductions in arrears starting at $17 millions and $16.3 millions respectively.

Total municipal assessment value for the province is $236.9 millions. Of a total of 170 municipalities 149 are now operating on a cash basis. As at Dec. 31, 1942 the immediate cash position of the municipalities showed 110 with a total surplus of $1,219,548 and 60 with a deficit of $2,563,939.

Famous Players has given notice that on Oct. 20, 1943, it will redeem $485,500 principal amount of 4½% first mortgage and collateral trust bonds, series A, $33,000 principal amount of series B and $66,000 principal amount of series C. All three series are being called at 102 and accrued interest. Payment will be made in Canadian funds.

Victory Bonds Do Double Duty

They help Canada to pay munitions workers, farmers and all who produce war equipment.

They provide investors with the soundest of reserves for future needs.

Buy Victory Bonds to the limit of your capacity.

Hold them as the foundation of your investment portfolio.

Wood, Gundy & Company Limited

Municipal Association Passes 66 Resolutions

Councillor J. W. Spooner of the Town of Timmins was elected president of the Ontario Municipal association at its 45th annual meeting in Toronto last week. He succeeds Clerk-treasurer W. L. Allely of the town of Lindsay.

Members includes 25 cities, 31 towns, 27 villages, 82 townships, 15 counties, 6 districts, 2 associations and the Province of Ontario. The associations are those of the assessing officers of Ontario and the mining municipalities of northern Ontario.

The northern Ontario mining associations were responsible for a large proportion of 66 resolutions passed by OMA requesting provincial and federal co-operation on a wide variety of municipal problems including taxation, public works, welfare, municipal employees' pensions, peat bog development, reforestation, voters' lists and education grants.

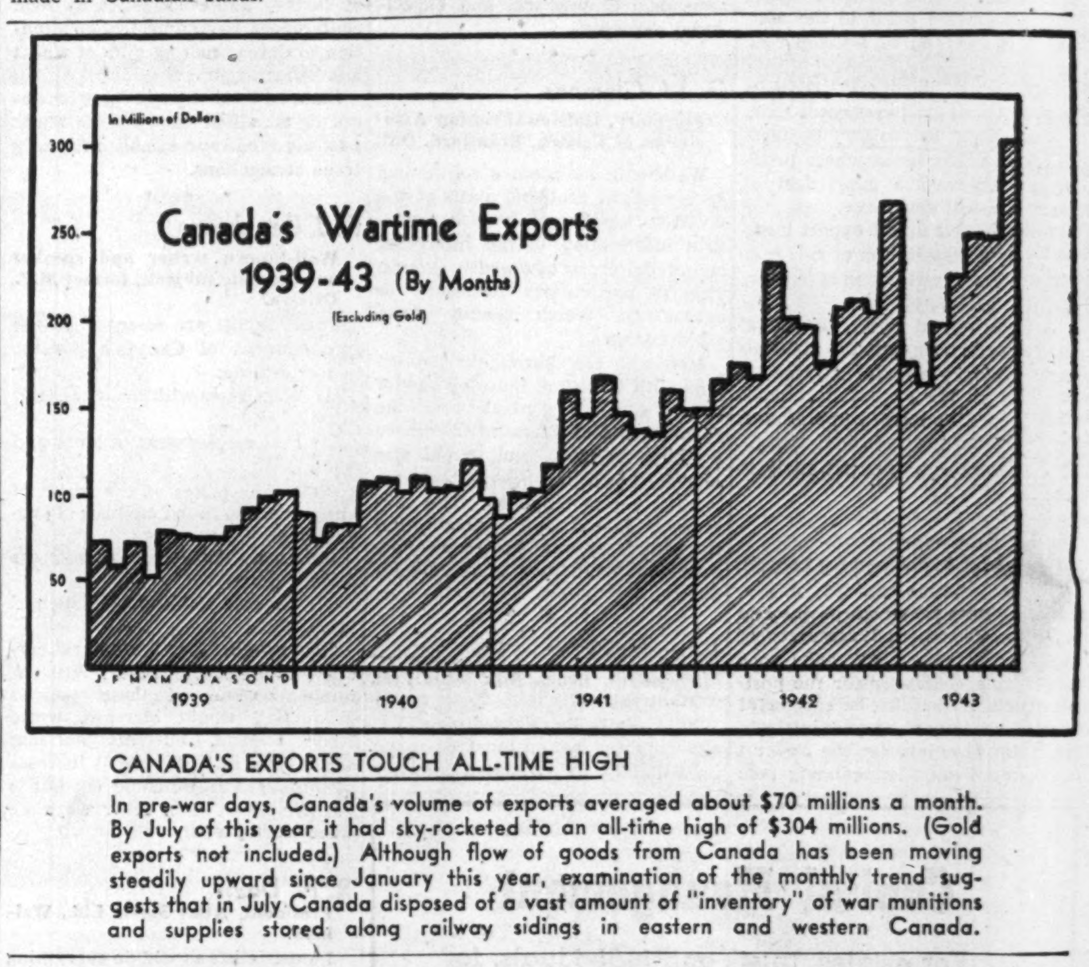
Brown Co. Elects New Executive

Frederic G. Coburn, New York City, has been elected president of Brown Co. For the past eight months Mr. Coburn has been associated with the company as special assistant to Chairman H. P. Kendall. Mr. Coburn becomes the first president of the company since its reorganization late in 1941.

Other officers were re-elected as follows:

E. H. MALING, vice-president in charge of finance and accounts, and treasurer;
W. L. CAMPBELL, vice-president in charge of manufacturing;
H. E. HOUGHTON, vice-president in charge of sales;
R. W. BOWLEN, assistant treasurer and assistant secretary;
R. H. MARSHALL, comptroller;
J. B. HOPKINS, secretary;
L. A. PIERCE, clerk.

All present members of the board of directors were re-elected and Mr. Coburn was added.



CANADA'S EXPORTS TOUCH ALL-TIME HIGH

In pre-war days, Canada's volume of exports averaged about $70 millions a month. By July of this year it had sky-rocketed to an all-time high of $304 millions. (Gold exports not included.) Although flow of goods from Canada has been moving steadily upward since January this year, examination of the monthly trend suggests that in July Canada disposed of a vast amount of "inventory" of war munitions and supplies stored along railway sidings in eastern and western Canada.

name an experienced executor

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In the Supreme Court of Newfoundland

In the matter of:
North American Financial Corporation Limited and Reduced
and
In the matter of:
The Companies Acts.

Notice is hereby given that a Petition presented to the Supreme Court of Newfoundland on the 27th day of August, 1943, for confirming the proposed reduction of the capital of the above named Company from Five million dollars ($5,000,000) to Three hundred thousand dollars ($300,000) will be heard by the Court on Monday, the eleventh day of October, 1943, at eleven o'clock in the forenoon.

Any creditor or shareholder desiring to oppose the making of an Order for the reduction of capital of the said Company under the above Act may appear at the time of hearing by himself or his Counsel for that purpose. Such person is required to give two clear days notice in writing of his intention to appear with the grounds of his objections to the undersigned, the Solicitor of the Company.

A copy of the Petition will be furnished to any such person requiring the same by the undersigned on payment of the regulated charge for the same.

Dated the 27th day of August, A.D. 1943.

ERIC COOK,
Solicitor for the Company.

Address for Service:
Board of Trade Building,
Water Street,
St. John's, Nfld.

Joseph Stokes, Canada Passes to Thermoid Co.

Announcement has been made of the proposed sale of a controlling share of the stock of Joseph Stokes Rubber Co. of Trenton, N.J., to Thermoid Co., also of Trenton, N.J. Control of Joseph Stokes Rubber Co. of Welland, Canada, the wholly owned subsidiary of the American company, will thereby also pass to Thermoid Co.

Management of the Canadian subsidiary has expressed satisfaction with the new arrangement, and anticipates an expansion in company activities through the manufacture here of certain products formerly exported to Canada by Thermoid.

The Shareholder

Substantial recovery has featured Canadian and New York Stock Exchanges but a recent tabulation discloses that the recovery movement here and in New York still lags far behind the movement in London.

This situation is shown clearly by common stock averages, taking the wartime lows and comparing them with levels at Aug. 31, 1943, as shown below:

	Wartime low	Aug. 31 1943	Incr. %
London industrials .	61.1	129.9	112.6
N. Y. industrials ...	92.92	136.62	47.02
Candn. industrials ..	79.85	121.13	51.69
Candn. golds	61.04	97.31	59.42
Candn. base metals.	61.29	74.82	22.07
Candn. western oils.	16.01	25.43	58.83

The London lows were reached about two years previous to New York, in 1940 after Dunkirk, against April, 1942, for New York, after Pearl Harbor.

While Canadian quotations have shown some improvement in the last two months, especially golds, a much more marked movement may be experienced in the months ahead if North American stock markets are to emulate London's example. The present huge cash reserves would be ample to support a higher level of stock prices should the public decide that this is a good time to hold a relatively high proportion of resources in common shares.

• • •

Broad principles for carrying through industrial demobilization after the war will have to be laid down by governments if the individual business is expected to plan intelligently for that day when it comes. This principle is laid down by the London Economist in commenting on the Board of Trade's request that various U. K. industries submit plans for industrial demobilization and deconcentration.

The Economist's remarks are of particular interest in Canada as the same problem is faced here. How can the individual firm plan intelligently for tomorrow?

The general problem of transition from war to peace is in many cases the same in Canada as the United Kingdom. This is how the Economist outlines it for the British Isles:

"The problem of ensuring a smooth transition from war to peace production is fraught with difficulties. There is the physical problem of priorities which involves an estimate of the rate at which labor and material will become available for the production of the goods of peace. The inevitable lack of information on this subject renders it difficult for industrialists to lay their plans. There is the problem of the legal framework within which industry has yet been given little guidance. Then, again, there is the specific problem of 'deconcentration,' which has been made doubly difficult by the government's promise to assist in restoring the status quo as far as possible."

• • •

Investment specialists have singled out a new group of stocks for attention as so-called war stocks have declined in favor—the issues representing companies which have suffered severely due to war curtailment but which are likely to make strong come-backs after the war is over.

Last week, this column mentioned how the length of the postwar boom is being assessed by those anxious to capitalize on postwar possibilities. It seems natural to assume that particular attention will be paid to the issues which stand up under both types of analysis, i.e., issues which have been severely deflated due to concentration of industry; and those which are likely to enjoy a relatively long postwar boom. At this juncture, it appears that both these characteristics will often be found to occur together.

• • •

Real estate firms, owning large office buildings, apartment houses or groups of individual houses have been doing much better the last few years despite the ceiling on rents and increased costs of janitor services, maintenance, etc.

While real estate operators can't increase volume the way most businesses do, they have found vacancies reduced to almost nil and this has meant higher revenues. Collections have also risen. Most of these firms have about reached an earnings ceiling now, however, with small chance of increasing revenue further. In a few instances, housing accommodation may be subdivided to provide more housing units and revenue may be augmented.

Steel of Canada Plan in Abeyance

From Our Own Correspondent

MONTREAL. — Reports that Steel Co. of Canada will proceed with the balance of its program in connection with the continuous strip sheet mill—the total cost of which amounts to around $12 millions—lacks official confirmation. Two units have been constructed, the tin plating coating mill and the universal plate mill. Completion of the project is shelved till the postwar period, and whether or not the company goes ahead with it then will depend on business conditions and whether the costs of construction and of capital goods, as well as the level of taxation, encourages new investment.

In Your Opinion—

Our Share In World Trade

(Continued from page 3)

and the countries to where these goods are shipped, after full consultation with the departments of External Affairs, Munitions and Supply, and Finance. Trade and commerce officials have spent their careers studying Canada's trade problems and should certainly be more expert than individuals of many of our new government agencies. A decision handed down by a group of experienced trade officials with respect to permitted trade during wartime would be much more acceptable to Canadian exporters than the present system of controls, under which most of us operate.

The recommendations in paragraph three are of course subject to the prevailing war conditions, as no move can be tolerated, in any way, which would affect the national war effort.

• • •

D. C. MacLachlan
President, Maple Leaf Milling Co., Toronto.

Canada's proper place in postwar world trade, for the first few years at least, will be centred around the supplying of food to the liberated countries. This essential role is now being seriously jeopardized by the manpower shortage.

Production of grain, the movement through country and terminal elevators, the movement of grain by lake steamers and on railways, the processing of grain for the proper feeding of livestock and poultry, all these essential functions are being seriously curtailed by the acute labor shortage. The first step to be taken to make sure that Canada may assume her responsibility as well as her great opportunity of supplying food to a hungry world, therefore is to effectively deal with labor shortage in essential food industries.

• • •

C. C. Milne
Managing editor, Record News, Smiths Falls, Ont.

The present control of inflation will have an important bearing on Canada's postwar world trade, permitting export products to compete in price with those of other countries having greater home markets and lower unit costs.

The federal tax structure should be revised to encourage the replacement of obsolete machinery. The set-up of Canadian trade commissioners in close co-operation with exporting companies should be expanded for aggressive promotion.

The government must be prepared to extend credit to nations importing Canadian products. Canada's merchant marine must be developed to provide economical transportation. The immediate announcement of government plans for the postwar distribution of Canada's wheat surplus to starving countries would create goodwill.

• • •

L. L. McMurray
Manager, export dept., Gutta Percha Rubber Co., Toronto, and chairman, Toronto Export Club.

Postwar world trade is much in the minds of all those looking to the future for relief from the restraints and controls of wartime regulations. It is thought by some that a return to pre-war conditions (or what are said to be the "good old days") is what may be expected. Others believe that postwar conditions are to be an improvement on those experienced before the war.

It is difficult to form an opinion between these views or to attempt to forecast what will follow the cessation of hostilities. So much depends upon international relations and agreements, world-wide economics, tariffs, currencies, etc. (all of which are unknown at present) which will vitally affect the situaton. Of paramount importance is the problem of providing employment after the war.

It is essential to increase the overseas representation by an enlarged trade commissioner service to give greater world-wide coverage. It is understood that this matter is under consideration by the Department of Trade and Commerce.

In any deliberations which may be made for postwar plans, it is hoped that Canada will have a prominent place and be represented by a strong and efficient deputation.

• • •

J. A. Pinard
Member of Parliament for East Ottawa.

The Dominion Government has had this most important matter under serious consideration for quite a long time. I am fully convinced that the officials and experts of the Department of Trade and Commerce as well as the members of the cabinet are drafting appropriate plans and taking the proper steps, in so far as world prices and new outlets are concerned, to ensure the marketing of our natural products and manufactured goods in foreign countries as well as in the British Commonwealth of Nations after the war.

This cannot be done unless we are in a position to meet outside competition.

• • •

J. Gordon Ross
Member of Parliament for Moose Jaw, Sask.

In the postwar world Canada, in proportion to her population, will be the greatest surplus producer, and creditor nation. To meet this situation Canada should:

1—Immediately implement the Atlantic Charter by initiating complete free trade agreements with Great Britain and the United States and by offering similar agreements to all the United Nations.

2—Remove all exchange restrictions.

3—Establish a Trade Commissioner corps with remuneration sufficent to attract the brightest young men, who will be especially trained in the language and the trade practices of potential customers.

4—Adopt a modern national sales policy.

5—Immediately encourage full utilization of her vast resources and trade routes of the north.

• • •

Chas. Smart
Editor, Times, Morden, Man.

Canada should have a prominent place in postwar planning, especially in world trade and steps should be taken at once to assure that.

Advice should be taken from individuals with special knowledge of world conditions, from trade organizations, from trade unions and from any special organizations likely to have something worth while to offer. Representations should also be made by the Dominion Government to make doubly sure that Canada will have a leading position at the council table when postwar discussions take place, and has a part in solving the difficulties which are sure to arise. Food will be one of the principal items to be dealt with and as a great exporting nation of all kinds of this commodity, Canada's place should be very specially stressed.

• • •

A. S. Tait
President, English Electric Co. of Canada, St. Catharines, Ont.

Canada's future place in postwar world trade greatly depends on the efficient operation of its industries. To obtain efficient and low-cost production and to produce competitively, volume and modern equipment are necessary.

Taxation of private enterprise should now be placed on a basis that would permit and encourage accumulation of reserves for plant rehabilitation and replacement of obsolete equipment.

Stable labor conditions must also be achieved. Management and labor should recognize more fully their interdependence and realize that only by economical and higher production can either permanently obtain success.

• • •

J. R. H. Sutherland
Editor, News, New Glasgow, N.S.

In world trade, the quality of goods counts, and private industry, now tooled up, should turn as many of its engineers as it can spare to improving and developing peacetime articles which can be manufactured by our expanded plants.

The government, whose fiscal policy has been good, could help by announcing now, tax arrangements encouraging the flow of capital into industry as compensation for greater risk, particularly by those who could take advantage of the trade our workers and soldiers have had to acquire in the prosecution of the war.

Since successful trade requires efficient transportation, fiscal policies should promote improvements by rail shipping and air co-operation with private enterprise being encouraged in all three, but especially in the air where we should utilize to the utmost the services of our thousands of highly trained men.

• • •

W. J. Weldon
General manager and vice-president, Coleman Lamp and Stove Co., Toronto.

This country should be adequately represented on all international committees studying this problem. The government should take Canadian exporters into its confidence and draw on their knowledge and experience in formulating plans. Consideration should now be given to relaxing special wartime export trade restrictions so as to allow exporters to regain contracts with prewar customers and to expand connections. Government control of export trade should be as limited as possible and directed toward the encouragement of private enterprise in the development of world trade.

• • •

J. R. Wallace
Editor, Free Press, Fernie, B.C.

Liberals and the Conservatives must unite to provide against Socialism and chaos. The rights of the individual must survive if employment is to be provided. There must be readjustment of tariffs. Canadian industry must have only sufficient protection to provide against dumping. There must be extension and renewal of reciprocal trade agreements.

Steps should be taken to regain Canada's markets lost through the United States lease lend program. Foreign exchange should be stabilized. What excuse is there for difference of 10% in exchange between Canada and the United States?

Immigration from the British Isles should be encouraged. The Peace River block has room for millions so give it railway facilities.

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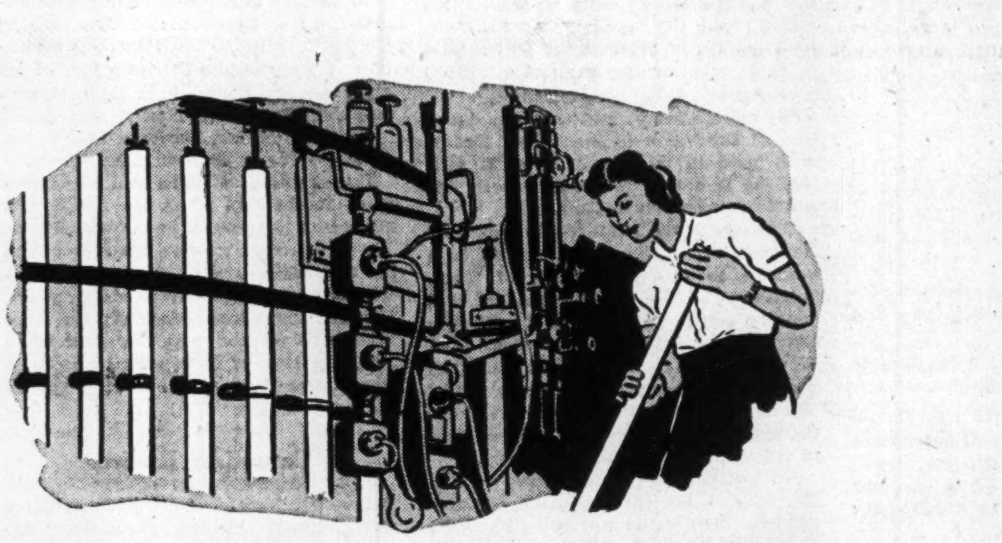

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HERE ARE THE FIGURES

Province	Total Population	Urban Families	Rural Families	Total Families	Combined Circulations
Nova Scotia	577,962	48,469	78,642	127,111	83,560
Prince Edward Island	95,047	8,372	13,046	21,418	6,934
New Brunswick......	457,401	38,599	62,022	100,621	32,135
Quebec............	3,331,882	413,120	219,970	633,090	316,179
Ontario...........	3,787,655	615,530	349,350	964,880	518,900
Manitoba..........	729,744	75,068	101,034	180,136	88,950
Saskatchewan......	895,992	92,547	126,962	212,217	92,186
Alberta...........	807,440	82,265	114,354	199,877	118,255
British Columbia....	822,775	142,520	86,840	229,360	137,060
Miscellaneous.......	Including New	foundland and	Armed Forces	Overseas	53,729
TOTAL.........	11,505,898	1,516,490	1,152,220	2,668,710	1,417,888

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LOOK AT THESE REPRESENTATIVE CITIES

CITY	Families*	Combined Circulation	CITY	Families*	Combined Circulation
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Sydney..........	6,739	3,331	Ottawa..........	51,196	32,765
Charlottetown...	3,577	2,328	Windsor.........	28,836	20,988
Saint John......	12,320	8,947	Winnipeg........	69,176	52,251
Moncton........	5,420	3,733	Regina..........	13,915	13,184
Montreal........	271,410	155,691	Saskatoon.......	10,244	11,310
Quebec.........	47,831	24,443	Calgary.........	21,168	25,749
Three Rivers....	10,001	4,960	Edmonton.......	22,290	22,968
Sherbrooke.....	8,563	5,364	Vancouver......	83,690	59,016
Toronto.........	210,677	150,484	Victoria........	10,492	15,996

*Families estimated pending final D.B.S. figures.

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MAYFAIR . . . NATIONAL HOME MONTHLY . . . NEW WORLD *(Illustrated)*

The Editorial Page . .

An Important Decision

The resignation of Dr. James S. Thompson as general manager of the Canadian Broadcasting Corporation has gone in, The Financial Post is informed. He is slated to return to his post as President of the University of Saskatchewan. True it was understood that he took the post on a temporary basis but it is unfortunate the CBC must face another major change so soon.

Who will succeed him? Because of the importance of the post, the special combination of talents required, and the recurrent parliamentary investigations to which the CBC is subjected, the question is of very widespread concern.

Dr. Augustin Frigon is assistant general manager. It is understood that he is ready and happy to step up. He has been in charge of the technical and commercial aspects of CBC operations.

Originally it appears, the assistant general manager was thought to have been given a status of partnership with the general manager and to have supreme command of CBC broadcasting in the province of Quebec. Dr. Thompson in public statements and elsewhere made it very clear that no such partnership status existed; that he, as general manager, would handle CBC program policy throughout the Dominion. This was not what Dr. Frigon had anticipated, we are informed.

Elevation of Dr. Frigon would give French-Canada the top three posts in CBC management. The CBC is now under the Minister of National War Services, L. R. LaFleche. Chairman of the CBC Board of Governors is Rene Morin.

Some political calculators are reported thinking of replacing Mr. Morin with Dr. Thompson in order to prevent all top CBC posts going to Quebeckers.

The least that Canadians have a right to expect is that the new general manager will be a first-rate administrative officer who knows broadcasting. He should also be a man of courage who will prevent misuse of this instrument of national service.

Whether training and experience as an electrical engineer would make Dr. Frigon an outstanding judge and creator of interesting radio programs is in some quarters doubted. It was Dr. Frigon who put the civil service salary and promotion system into effect at the CBC.

This means that CBC program planners, staff writers, creative workers and announcers including clerical staff, are on a rigidly fixed pay system; they can advance in pay and status only with the passing of the years and the death or retirement of their seniors.

It also means, of course, that position is highly secure almost regardless of quality of work and ability; that the CBC is in a very poor position with other radio operators in competing for the services of outstanding ability.

Canada Can't Afford to Delay

Drew Pearson, the Washington columnist, may be highly gratified by his recent notoriety and the distinction of a personal kick by President Roosevelt. But he is serving the Nazi and Jap cause well with the intemperance and irresponsibility of some of his recent performances.

Fomenting dangerous suspicion between the people of America and Russia for which FDR called him a liar is not his only offense against international accord.

Pearson has now turned to a violent attack on Canadian newsprint producers, charging that they are taking advantage of the present situation, to do a squeeze-play on both price and supply.

Following up his campaign and pretending that here was evidence to support his contention that Canada wasn't playing fair with the U. S. on newsprint, Pearson made a scathing attack on The Windsor Star because it published a special hundred-page issue.

That charge was easily nailed. The Windsor Star had merely to point out that, like all other newspapers and periodicals in Canada, its supply of newsprint had been considerably reduced; that it was strictly rationed; that the 100-page issue would have been quite impossible unless the management had been super-thrifty on paper for some time in advance and had saved up out of its ration the paper supply adequate for the big issue.

Easy and conclusive as the answer is, the miserable fact is that the viperish Pearson allegations will be read, and to some extent believed by the hundreds of thousands while the truth will be read by the tens.

One complaint U. S. paper using interests can very properly make and it is being made widely and not always delicately. Canada is suffering much thereby.

That complaint is that Canada continues to bungle her manpower policies; thereby makes it impossible to get and keep enough wood-cutters on the job to maintain the necessary minimum of pulp and paper products for our own supply and to supply our U. S. customers who have depended on us so long and on whom we have and will depend so much.

Canada should make no delay in giving pulpwood workers a very high labor priority rating as has been done in the United States. Drafting them into Canada's home defense army certainly doesn't add to their usefulness.

Furthermore, the present situation deters hundreds of farmers from following their normal winter occupation of timber cutting. Under present regulations farmers fear that by going to the woods, they will lose their present high priority rating and become liable to military draft.

The publishing of newspapers and magazines has been given a high rating of wartime essentiality. That is meaningless unless the production of the raw material from which they are made is given equal status.

If we don't go at least as far as the U. S. in assuring our pulp supply, Canada will reap much ill-will today and help build up some extremely serious business problems for tomorrow.

Capitalism Will Last

"I still see capitalism 50 years from now," Aaron Velleman, veteran American Federation of Labor organizer stated in Toronto this week. "Capital and labor will continue but there will be closer co-operation and better understanding between them. It is impossible for labor to win success without co-operating with employers. Working men cannot live without a job."

In those few sentences Mr. Velleman preached a sound sermon, and one that needs the greatest emphasis during these times of much talking and little thinking.

Labor and capital are vital and definitely connected parts of the same great production machine. Alone they are useless. Working together they have accomplished miracles and will continue to do so in the days to come. Labor makes the goods, capital supplies the tools, and raw materials and develops the markets. It is a natural partnership and as Mr. Velleman states, it will last.

Why This Secrecy Now?

Why all this secrecy about war supplies we are sending to our allies?

In the United States, regular Lend-Lease reports are issued, showing exactly where supplies are going and their nature. American citizens are not given, of course, specific details of designs or descriptions of secret equipment. That they don't need to know, but they are told totals of the various categories of war supplies which is very proper information for a democratic people.

Canadians are proud of the ships, guns, tanks, planes and munitions we are turning out for the common cause. They are anxious that these be used effectively and promptly on any front. But so far they have only been given the vaguest details about their use. They want to know—and it would be mighty stimulating to know—what we produced for this front and that ally.

In the early stages of the war when we were woefully weak even in defensive weapons, there was some reason for keeping the public in the dark about war production. There was a slim chance that the enemy did not know just how few rifles or tanks were in front of him. But that phase has definitely and finally passed. Now, in fact, we may easily hasten the peace and materially bolster our own morale, by letting the Nazis and Japs know what is in store for them.

After four years of war, there has been ample time to shelve or get rid of the penny-potentates who didn't know that this is a citizens' war.

Raiding Reserves Defeats Aims

The attacks that have been made for some time by the Toronto Daily Star on the reserve-building policies of the Toronto Transportation Commission and the Toronto Hydro Electric Commission are of more than local interest. Toronto is not the only Canadian city whose utilities are adding to reserves; where the availability of such reserves for wise spending and employment-making at some future time are of importance to every citizen, both locally and nationally.

Because wartime activity has brought unexpectedly large revenues and surpluses, the Star would now have these utilities reduce their rates. Nothing could be less realistic.

In the first place, anything which would tend to add to the already excessive traffic handled by Canada's utilities might strain some of these vital services past the breaking point. At the very least, a reduction in rates might stimulate consumption to a level which would make it necessary to introduce tramway and electricity rationing, thus tremendously increasing the cost and complexity of wartime controls.

Whether the reserves now being accumulated are excessive is a matter on which no intelligent opinion can be given until all the conditions which will have to be faced after the war are known. But surely the danger of finding reserves too small is fraught with more serious consequences than the possibility that they will prove too large. There will be plenty of opportunities to reduce rates after the war if conditions warrant.

No one can quarrel with the basic claim that all utilities and all industry, publicly or privately owned, should render the maximum service to the public at the minimum cost. But that goal cannot be achieved if we follow the Star's advice and undermine the ability of public utilities to meet the problems that undoubtedly lie ahead.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Need Five Years to Cool Off

As head of organization supplying food and other relief to starving Europe during and immediately after the First Great War and later as U. S. Secretary of Commerce and from 1929 to 1933 president of the United States, Herbert Hoover had an unusual opportunity to study first hand the weaknesses of the peace settlement of 25 years ago. Last week in a speech before the Foreign Policy Association and the University of Minnesota, Mr. Hoover declared "the world must have time to cool off and recover a balance of judgment if a lasting peace is to be made." His suggestions for the peace settlement this time are briefed below:

• • •

"When firing ceases the world will be filled with violent emotions. There will be white-hot hate and indignation at the enemy for having brought the world to this state. The air will be filled with vengeance. This is no atmosphere for long-view statesmanship, which must distinguish between guilty leadership and misled peoples.

"If the world had had five years in which to consider the Treaty of Vienna in 1814, and the Treaty of Versailles in 1919 those documents never would have been signed."

Mr. Hoover proposed that peace be arranged in four steps:

1. Agreement before firing ceases that a few leading countries among the Allies be appointed joint managers of peace, and that there will not be the usual armistice or general peace conference.

2. Agreement before victory that these peace managers shall impose provisional peace terms on defeated countries. This would include total disarmament of the enemy, punishment of leaders, return of loot, prisoners and displaced peoples and determination of temporary boundaries.

3. That nothing else be done until expiration of a transition period of several years "in which the world can cool off."

4. Creation of "some sort of world institution to replace the managers and preserve peace."

The former president said the fourth step should not be taken until "the foundations of real peace have been laid," because "if we make a good peace, it will largely preserve itself; if we make a bad one like Versailles, we shall simply be laying the kindling for World War III."

"Returning servicemen," said Mr. Hoover, "are bound to bring home all their dislikes and opinions of the strange peoples with whom they have been operating; at home the people will be war-weary, and all the suppressed frictions between allies will come to the surface.

"If there is a general peace conference in the midst of all these emotions, as has been the practice hitherto, then 40 nations will send 2,000 diplomats to orate, to conspire, quarrel, and grab.

"Once the peace proposals are explained in a calm atmosphere, 'the whole sovereignty question will become academic.'"

During enforcement of the provisional peace proposed, under the Hoover proposal, the managers would first restore order in conquered territories, next feed hungry people, and then restore economic production.

Other People's Views . . . .

The Canadian Editorial of the Week

Ilsley Speaks With Courage

The Gazette, Montreal

It is not easy to face an audience and tell them something they do not wish to hear, something they do not wish to believe. It takes courage. That is what Finance Minister J. L. Ilsley showed when he told the 59th annual convention of the Trades and Labor Congress of Canada that if wage increases continue to be granted, the price ceiling cannot be held on.

Nothing is simpler than to make out a strong human case for the wage-earner, especially the low-wage worker. It is generally the low-wage worker whose plight is publicized, though it is frequently the high-wage worker who actually gets the increases. However, cases can no doubt be found where wage control has had the effect ascribed to it, of "freezing injustices."

Mr. Ilsley is keenly aware of all this. But he is also aware of what would follow a widespread, general effort to raise all low wages without lowering any high ones, which is what the foes of our anti-inflation policy desire. The result would only be inflation, and Mr. Ilsley was profoundly right in saying that the surging spiral of wage-price rise would be "to the advantage only of experts in the art of profiteering out of inflation, and to the great disadvantage of the rank and file of the population."

Better calculated to appeal to his Labor Congress audience, and equally likely to find an echo in the hearts of citizens generally, was the Finance Minister's plea for "the same vigor and energy" in the tasks of peace as are now being devoted to the tasks of war. Housing, social insurance, full employment and other social aims must be pursued with the same tenacity, and the same capacity for sacrifice, as victory.

Every Canadian hopes this dream may be realized, but every Canadian knows it will require a great resurgence of unity, of mutual trust and of national spirit. It is fair to suggest that those things would have been in closer reach had the Government of which Mr. Ilsley is a member, shown a greater degree of resolution, a greater firmness in grasping the nettles presented by war. Mr. Ilsley's own share in the war effort has been executed with strength and pluck, but this cannot be said of all other segments. The result has been to irk without stimulating, to impose burdens without creating faith that they must be borne, to exact duty without compelling respect. It has not been a good thing for Canada.

The Mail-box . .

Suggests a Primary

Your recent issues have devoted a considerable space to the question of whether or not the Progressive Conservative and Liberal parties should unite.

In many ridings the present members represent a minority of the voters, because of the three-corned contest.

Why not change the various election acts to provide for the holding of a primary in any riding where there were more than two nominees to eliminate all but the most popular two? Then the disappointed voters would at least have the opportunity of voting for the lesser of two evils.

Toronto. C. S. KENNEDY.

• • •

A Correction

In publishing my opinion on the question "When Should We Lift Wartime Controls," in your Aug. 21 issue, the first four lines have been distorted—quite unintentionally, of course—and do not convey my statement in its proper form.

Instead of "This war is being fought for freedoms embracing freedom of speech, and a last stronghold and first herald of liberty is free press censorship. This definitely should . . ." it should read:

"This war is being fought for freedoms embracing freedom of speech, and as the last stronghold and first herald of liberty is a free press, censorship definitely should be the first . . ."

LESLIE C. WAY, Editor, Westview, B.C.

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As Others See Us . .

Anything for a Change

St. Catharines Standard

The danger involved to the whole nation when solid citizens and groups of people vote on the principle "anything for a change," is trenchantly pointed out in The Financial Post.

That paper declares that vastly more significant than the actual gains scored by the CCF and other parties in the recent Ontario election and the four by-elections which followed are the reasons given by voters for supporting the CCF.

It is ominous that the CCF strength (according to the Gallup Poll) appears to be centred among working men and among the younger voters. Growth of the "anything for a change," sentiment in these two important sections of the nations, and particularly among the youth of the country, can do greater and more lasting damage than if a fit of irresponsibility had seized upon almost any other section of the community.

Government Must Respond

Brantford Expositor

Chairman Donald Gordon of the Prices Board has appealed urgently to the people of Canada to co-operate with wage and price ceiling policies in order to avert disastrous inflation. The people will be disposed to respond, but, at the same time, the Government at Ottawa will also have to practice what Mr. Gordon so logically preaches.

As The Financial Post points out, Ottawa has gone over Mr. Gordon's head, time after time, to make special concessions to labor and food producers. In some cases these concessions were deserved and necessary, but there must be a strict limit thereon if serious trouble is to be prevented.

• • •

Stop Me If . . .

Canadian infantry approaching a fortified hill in southern Italy this week were rather surprised when three shots were fired in their general direction. They demanded an explanation when the Italian battery surrendered a few minutes later. Through an interpreter came this:

"We were not shooting at you. You took the wrong road and we wanted you to know where we were situated so we could be taken prisoners."

Cartoon by Grassick.

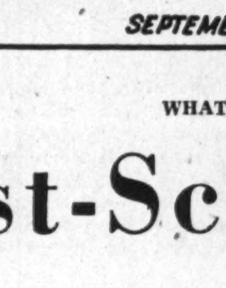
WHAT A PUNCH HE HAS DEVELOPED SINCE THEN.

Post-Scripts . . . .

Ends First 50 Years

This month John C. Newman, president of General Steel Wares, celebrates the 50th anniversary of his connection with the company and its predecessor and constituent firms.

From his corner office on the 14th floor (there is no 13th floor) of the Royal Bank of Canada's head office building in Montreal Jack Newman can look back on a half century of achievement both in the personal and material sense.



MR. NEWMAN

Fresh from the Montreal High School he went to work at the age of 15 as an office boy in the McClary Manufacturing Co. This was a natural move for him to make: his father had long been associated with Caverhill, Learmont—one of the oldest hardware supply houses in Montreal.

He became stenographer at 17, cashier at 19, the firm's accountant at 21 and Montreal manager at 31.

Here it is necessary to insert a little-known fact about Jack Newman's early business career. While still in his 20's he sold life insurance at night. He had a natural flair for this work, for very soon his commissions greatly exceeded his salary with the McClary Co. In fact, long before he reached the 30-year-old mark he was earning as much as $10,000 a year from selling life insurance.

His experience at that time convinced him of the value of insurance. Today, with paid-up policies of over $1 million, he is one of the most heavily insured businessmen in Canada.

With the stake acquired in this way Newman eventually found himself in a position to acquire control of Thos. Davidson Co. He became head of that concern and in 1927 merged it with McClary Manufacturing into General Steel Wares, of which he became the first president. Subsequently General Steel Wares acquired Sheet Metal Products Co. and several other smaller businesses to round out the present company.

An outstanding characteristic of Mr. Newman is his extraordinary business acumen. Before the war came along he purchased large quantities of materials. He anticipated interest requirements on the company's bonded debt by buying New York funds. The amount of money he saved the company by his foresight must have run into many thousands of dollars.

Allied to his business acumen is a strong belief in himself and the firm which he heads. General Steel Wares was in process of being integrated when the depression set in. Faith in most Canadian companies sunk to a low point, but Newman's faith never wavered and when the depression lifted he emerged as the largest single stockholder in General Steel Wares.

The merger he created has been his "baby." During the early years the going was a little tough, but the company never defaulted on its obligations. Interest charges on the debt were paid promptly, as also were sinking fund payments, as many bond traders along St. James Street have good cause to know.

General Steel Wares has long since come out of the woods. Today it is the largest operator in the field, due entirely to the business ability of Jack Newman.

This ability has not gone unnoticed. His name will be found on the boards of many companies—Canadian Bank of Commerce, Montreal Trust Co., Canadian Car & Foundry Co., Sherwin-Williams, and Baldwins Ltd., the big Welsh steel company.

One thing which Montreal instills in its native born is a sense of public service. Mr. Newman runs true to form. From 1919 to 1924 he was president of the Western Hospital and, on its amalgamation with the Montreal General in 1924, he became vice-president of the latter institution. Then in 1938 he succeeded Col. Herbert Molson as president, a position which he still holds. He is also president of the Verdun Protestant Hospital and a governor of McGill University. To all three institutions he has devoted not only time and effort, but very substantially of his own fortune.

In the wider field of public service Mr. Newman was a member of the Montreal Harbor Commission in 1930 and in 1932 chairman of the board, a position he relinquished in 1935.

In 1933 he was offered the chairmanship of the Board of Trustees of the Canadian National Railways. He declined this post, despite the insistence of his close personal friend, R. B. Bennett, who was then Prime Minister.

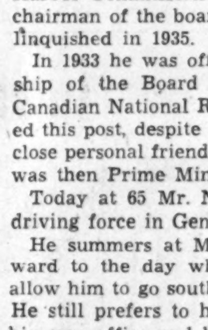
Today at 65 Mr. Newman is still the driving force in General Steel Wares.

He summers at Metis and looks forward to the day when the FECB will allow him to go south in the wintertime. He still prefers to have his hair cut in his own office and by the same barber who has attended to his needs for years. His memory is long, especially for those who have worked with him, and when they are sick or in trouble he takes it upon himself to see that they get on their feet again.

• • •

Canadian Brewer

Tall, broad-shouldered, in his late fifties, but hardly showing it, D. Clive Betts, newly elected executive vice-president of Canadian Breweries, has probably had as wide a coast-to-coast experience in the brewing business as any other man in Canada. He unquestionably has a most extensive knowledge of the problems faced by the brewing industry today.



MR. BETTS

A native of Kingston, Ontario, Betts first became connected with the brewing business in Calgary in 1913 when he joined the Calgary Brewing & Malting Co. there. Spending many years with that firm, he became an ardent supporter of western Canada and its possibilities, and he still is one of the West's strongest boosters.

In 1930 Betts returned to his eastern Ontario haunts, joining Canadian Breweries soon after its inception in that year as manager of Carling Breweries at London. During his stay at Carling's he also had the Kuntz Brewery at Waterloo under his charge and much of the time in those days was spent commuting from London to Waterloo.

In the spring of 1935 the position of assistant general manager in charge of sales for the Canadian Breweries organization opened. After two or three years at this came the appointment as a vice-president. And now the latest appointment, as executive vice-president. With his new post, operations at six plants are his concern: the O'Keefe, Canada Bud and Cosgrave plants, in Toronto; the Carlings plant in Waterloo; Brading Breweries at Ottawa; and Canadian Breweries (Quebec), at Montreal, a bottling plant.

Interested in the problems of the industry at large, Mr. Betts has been closely identified with the various brewing associations and was president of the Western Canada Brewing Association for some years.

Before becoming linked with the brewing profession, Clive Betts spent 13 years in the banking business, joining the old Ontario Bank around the turn of the century and later being connected with the Bank of Montreal. A native of Kingston, Betts met his wife during a stay at Bowmanville; they have been married 30 years now.

For recreation Betts likes to go fishing. Public-spirited, the Toronto Federation for Community Service has benefitted by many hours of his time, three years being spent as chairman of the Employees' Division. An Anglican, Mr. Betts is a director of Dixon Hall, a philanthropic institution.

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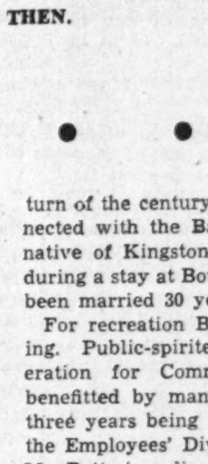
New Dome Head

New head of one of Canada's oldest and best-known gold mines, Dome Mines, is Clifford W. Michel, an executive still in his early thirties and perhaps youngest of major Canadian gold mining presidents. Like his predecessor, Jules S. Bache, who becomes chairman of the board, Michel is a New Yorker; an intimate associate of Bache and a partner in J. S. Bache & Co.



MR. MICHEL

Clifford Michel is no newcomer to Dome Mines and as the new president he is expected to continue the policies he himself has helped establish, policies which have contributed so much to Dome's outstanding success, particularly in development of new properties.

Elected a director of Dome in 1939, Michel became a vice-president in 1940 and added the job of treasurer in 1942. He retains the positions of treasurer and chairman of the finance committee. Besides being active in the direction of the affairs of Dome proper, Michel takes a keen interest in its two key subsidiaries—Sigma Mines and Indian Molybdenum.

It won't be a new experience for Mr. Michel to preside over the annual meeting of Dome Mines, for he did this last spring in the absence of Mr. Bache.

A graduate of Dartmouth College and the Tuck School of Administration and Finance, Dome's new president is associated with many of the firms in which his senior partner, Mr. Bache, is interested. Both hold directorships in Tennessee Corporation, New Amsterdam Casualty Co. and Julius Kayser & Co. He is also acting president of Wenonah Development Co., a Canadian holding company for Mr. Bache.

Married to Barbara Lloyd Richards in 1937, he has two children—a son, four and a daughter, two. Tennis, golf, fishing and skiing are prominent in his spare-time hobbies.

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What The Papers Are Saying . . . .

Must Stop Inflation at the Border

Vancouver Sun

Mr. Ilsley assures Parliament definitely that the wartime price structure of Canada will not be tied to that of the United States. In other words, Mr. Ilsley proposes to stop the wave of American price inflation at the international border.

This will be difficult, but it can be done and it must be done. If the Americans are unable to prevent a disastrous inflation, Canada must insulate itself from the resulting storm as well as it can.

Even if American prices rise a good way yet, Canada can keep its price level firm if the government has the backing of the people.

The Financial Post

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Wartime Training Plan Has Big Postwar Task

Trade Skills Imparted to 135,000 Persons in Four Years — Expect to Employ Same System to Aid Veterans Adjusting to Civilian Life

The Dominion-Provincial Wartime Training Program, initiated in May, 1939, has given instruction in trade skills to 135,000 persons in Ontario and is anticipating postwar problems when thousands of men will be discharged from the armed forces and will be looking for trade training or instruction in adjusting their army knowledge to civilian requirements. H. H. Kerr, Regional Director for Ontario, informs The Financial Post that at present 75 men discharged from overseas or from service in Canada are in training. Rehabilitation of such men will eventually be the main task of this government department. Work will function much in the manner of the present system employed in fitting civilians for war jobs.

How The System Works

At present all persons attending classes of Wartime Training must present a permit from the National Selective Service. In the case of a veteran reverting to civilian life, he first of all reports to the Veterans' Welfare Officer with whom he discusses his plans and selects a trade. His choice is taken to the District Rehabilitation Board. With the approval of the latter the veteran then enters trade training under the Wartime Training Program. On completion, he reports to National Selective Service which arranges for his placement in industry.

Wartime Training, which is an outgrowth of the former Youth Training Program, provides instruction for both enlisted men and civilians. According to Mr. Kerr, at present the largest number of enlisted men in the history of the program are enrolled in trade training. In this connection, it is pointed out that while there has been a reduction in the civilian enrolment, due to shortage of labor throughout industry generally, the increased number of servicemen more than takes up the slack.

Four Phases of Training

Twelve to fifteen different trades are taught members of the RCAF, the Army and Navy who receive their elementary training under the auspices of the Dominion-Provincial organization and then acquire their advanced skills in the particular unit to which they are attached.

For the civilian there are four phases of training:

Pre-employment classes, where men and girls enter vocational schools and take instruction before going on a job;

Plant schools, of which there are at least 45 throughout the province, where classes are held in conjunction with work and during the regular shift;

Part-time classes for persons already employed;

Foremanship training, for which The Post is informed there is the greatest demand at present, 15,000 having graduated from this course in Ontario, since May, 1942, until Sept., 1943. Three courses are provided: Job Instruction to show foremen how to teach new personnel how to do their jobs; Job Relations, where they learn how to handle their workmen; and Job Methods in which they are taught to watch for short cuts to increase machine output and manpower.

Until a few months ago, stated Mr. Kerr, Wartime Training staff numbered 800 throughout the province, but this number has declined to about 700 as classes are much smaller owing to labor shortages.

Instruction in plants is offered on a basis whereby an official of a large plant will be instructed by the department. In smaller places, three or four men from Wartime Training—themselves practical tradesmen and with foremanship training—go to the plants and instruct the men.

600 Girls Trained

In Toronto such training has been given at John Inglis, Research Enterprises, de Havilland's and Victory Aircraft; in Brantford at Cockshutt Molded Aircraft; at Fort Erie for Fleet Aircraft; at Galt for Babcock-Wilcox and Goldie-McCulloch; in Kitchener at the B. F. Goodrich Co., etc., etc.

At John Inglis some 50 girls are being trained in tool room work. All told, Mr. Kerr informs The Post, 600 girls have taken either plant or vocational school courses in such subjects as aircraft, machine operation, power sewing, industrial chemistry, drafting and stenography.

The Week in Business

	Aug.	July	June	May	Year Ago
Financial Post Production Index	....	254.4	252.7	256.8	214.5
National income, D.B.S. (c)	....	....	§752	§752	649
Dom. war expend. (million $)	....	264.2	256.3	272.2	185.0
Dom. total revenue (do.)	....	283.0	198.8	205.1	121.8
Dom. Total expend. (do.)	....	498.9	322.0	325.0	345.5
Dept. store sales index no.	....	144.9	131.0	138.6	145.5
Retail sales index no.	....	....	155.3	154.5	151.1
Wholesale sales index no.	....	....	174.8	163.0	167.6
Country store (% change pr. yr.)	....	+17.6	+14.9	+13.8	+10.6
Divd. payment index♦	124.2	124.2	123.5	122.7	123.5
Bank deposits (1935-39=100)	....	....	....	171.0	167.6
*Cash and cheque pay. index	....	174.7	171.3	215.7	146.7
*Bank debits (1935-39=100)	....	158.2	147.5	183.0	133.0
•Money supply (c)	....	4,851	4,883	4,727	3,686
NEWSPRINT % OF CAPACITY—					
Production ratio	....	....	69.6	68.6	65.6
Shipment ratio	....	....	73.7	69.6	68.4
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	190.3	214.5	190.8	188.1
Cars (D.B.S. index)	....	148.0	147.0	142.5	141.4
COST OF LIVING—					
*D.B.S. index	119.2	118.8	118.5	118.1	117.7
EMPLOYMENT INDEX No. D.B.S.—					
*All industries	....	183.7	181.2	178.2	175.7
*Manufacturing	....	226.5	224.2	222.9	209.5
*Payrolls (June 1/41=100 (b)	....	145.7	143.6	139.8	129.5
*Payroll index (a) (1937=100)	....	....	226	225	201

RAILWAYS—	1943	1942	1943 (Jan. 1 to date)	1942 (Jan. 1 to date)	Change %
*Carloadings (week Aug. 28)	68,937	66,343	2,241,594	2,224,051	+0.7
C.P.R. gross (week Aug. 21)	$ 5,792,000	4,696,000	183,336,000	157,381,000	+14.0
C.N.R. gross rev. ... (July)	$ 39,832,000	33,133,000	250,316,000	202,548,000	+23.6
C.N.R. net rev. .... (July)	$ 8,696,000	7,732,000	53,631,000	45,751,000	+17.2
C.P.R. gross rev. ... (July)	$ 26,642,582	21,926,008	162,874,113	142,959,100	+14.0
C.P.R. net rev. ..... (July)	$ 3,930,047	3,268,451	25,133,209	25,216,534	—0.3
IRON AND STEEL—(July)—					
Pig iron production (tons)	151,369	172,153	1,019,158	1,146,153	—11.0
Steel production ... (tons)	250,508	256,560	1,749,661	1,815,798	—3.6
CONSTRUCTION—					
Contracts awarded (July)	$ 16,166,900	32,093,400	118,293,700	167,040,600	—29.2
Building permits .. (July)	$ 9,697,625	10,677,733	44,964,922	61,979,026	—9.2
Cement prod., bbls (May)	705,544	789,828	2,174,353	2,392,443	—9.2
AGRICULTURE—					
*Flour prod., bbls. .. (July)	1,945,123	1,590,219	14,104,738	11,315,427	+24.6
Cattle sales▲ ...... (July)	77,361	85,024	573,737	609,853	—6.1
Hog sales▲ .... (July)	550,362	461,034	3,733,641	3,608,743	+3.5
SEA FISHERIES—‡					
Catch cwts. ...... (June)	1,069,752	992,079	3,685,576	4,417,285	—16.6
Landed value ...... (June)	5,711,877	3,716,970	14,816,993	10,452,840	+41.8
NEWSPRINT—					
Production, tons ... (July)	262,323	241,178	1,705,993	1,899,352	—10.2
Exports, tons ...... (July)	269,139	226,971	1,630,131	1,747,258	—6.6
MINING AND OILS—					
*Coal prod., tons ... (July)	1,365,648	1,497,196	10,259,354	10,965,905	—6.5
Gold rec. (fine oz.) .. (July)	327,836	431,435	2,245,747	2,801,623	—9.9
Petroleum prod., brl. (June)	826,119	856,746	5,037,870	5,240,038	—3.6
ELECTRIC POWER OUTPUT—					
Total monthly 1,000 kw.h.'s	3,404,077	2,965,671	23,028,472	21,578,055	+6.7
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (June)	2,830,719	2,891,123	17,402,629	16,493,270	+5.9
Cotton consump., lb. (July)	14,280,748	17,012,696	109,795,767	116,639,598	—5.9
Cigarette cons., No.† (July)	820,512	843,605	6,361,795	5,479,226	+16.1
FINANCE—					
Bank debits† ...... (July)	$ 4,405,946	3,704,133	29,873,333	25,295,840	+18.1
Bond sales† ...... (June)	$ 392,922	298,653	3,409,431	2,021,668	+68.6
Life insurance sales (July)	$ 51,228,000	44,868,000	332,103,000	283,648,000	+17.1

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. ▲Total at yards and plants. †000 omitted. •Millions of dollars. ♦Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted. (a) Compiled by Canadian Bank of Commerce. (b) All industries. §Estimated.

STAYING POWER

IT'S THE last lap that is important to the marathoner — the home stretch to the thoroughbred.

Years of preparation gave the lead to the enemies of freedom. But, organized co-operation has been developed by the United Nations and to-day the machinery of our war production is running smoothly.

Steadfastly and grimly the United Nations have now gained the lead.

GSW is playing an important part in this herculean effort. Its experience and facilities have been called on to supply innumerable items used for feeding and equipping the Armed Forces. This, together with a restricted supply of raw materials, has caused some curtailment in production for domestic use. We appreciate the forbearance of our customers and look forward to the day of Victory when we can again supply all demands.

GSW QUALITY GOODS

GENERAL STEEL WARES LIMITED

MONTREAL TORONTO LONDON WINNIPEG CALGARY VANCOUVER

Taxation

EP Taxes New Worry to Brokers

Fear First Profits in Years to be Taxed 100%

Canadian stock brokers, enjoying their best year since 1939, are really worrying about the excess profits tax these days, The Financial Post is informed.

Perhaps the majority now come under the 100% E.P.T. clause and, after a study of the situation, many brokers claim that the standard 1936-1939 period is inequitable as a base even though it is permissible to drop the year in which the poorest showing was made.

Mining brokerage firms particularly were not doing so well in the basic period, they say.

Expect Appeals on 1943

With 1943 the first really good year since E.P.T. came into existence, there hasn't been time for rulings by the Board of Referees. But it is expected that a considerable number of applications will be made through the Minister of Finance to the Board of Referees for such rulings on the basis of 1943 profits.

Numerous unusual situations have emerged as a result of the wide fluctuations in activity which characterize the brokerage business.

One broker reports that by last June he had made "up to his limit" under the E. P. tax and that for the rest of the year he figures he will be working for the government except for the 20% postwar refund. Losses were sustained in each of the four years up to the end of 1942 and at the rate of profit allowed under the E. P. tax he estimates that 15 years will be required to retrieve losses.

To Seek Ruling

Another large Toronto brokerage firm reports that it did not have a very good base period under the E. P. tax but that due to underwritings and the pick-up in commission business, the ceiling under the E. P. tax was reached about the middle of the year. This firm will likely be one of those seeking a ruling from the Board of Referees.

A third brokerage firm tells how the four partners had to dip into their cash reserves in the lean years before 1943. Now it is considered necessary to make about $100,000 after taxes in a two-year period to recoup these losses and to prepare for the next period of bad business. Unless a favorable ruling on the E.P. tax is secured, it is considered unlikely that this amount can be made up as, even at best, it is not possible to retain more than 70% of profits under present legislation.

Many brokers claim that commission brokers should be placed by Ottawa authorities in the same category as chartered accountants, lawyers, doctors, etc., and as professional people that they should not be subject to the excess profits tax levy.

While no definite ruling has been handed down, it is understood that Ottawa authorities take the attitude that brokers are not professional people, that they employ considerable capital in their business and that no special college course or degree is necessary to become a broker.

Individual Approach Expected

It is believed that the brokers will make their approach to the E.P. tax authorities as individals rather than as a body or association. At one time all the stock exchanges across Canada are understood to have planned representations on the E.P.T. question but it was finally decided that such a representation would not be looked on with favor by the Ottawa authorities and that the individual approach was preferable.

One ruling under the E.P. tax has been secured which is proving of value to the brokers. Under provincial security acts, listed brokerage partnerships are not allowed limited liability and partners were dependent on a division of profits rather than on salary. And profits are taxed at high rates. This situation was pointed out to Ottawa authorities, so brokerage partners are allowed "salaries" up to a maximum of $5,000 each which are not subject to E.P.T.

Why the E.P.T. question is arousing interest of stock exchange member houses is shown by the records of the Toronto Stock Exchange. In the first eight months of 1943 a total of 78,188,000 shares changed hands with a total "purchasers' value" of $120,959,000. This compared with only 23,607,000 shares and value of $34,790,000 in the corresponding period of 1942 and 33,113,000 shares and a value of $8,124,000 for 1941.

Power Demands Continue High

Both Output and Consumption in July Well Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada produced a slightly smaller amount of energy in July than in the preceding month, but compared with the same month a year ago, output increased from 95.6 millions to 109.8 millions daily.

Over-all production last July totalled 3,404 million kw.h., compared with 2,966 million kw.h. for the same month last year. Of the current production 242 million kw.h. were exported; 2,962 million represented firm power consumption, and the balance secondary power.

All provinces shared in the increased production during July, with the exception of Ontario which recorded a small decline.

Firm power consumption by provinces last July, with comparative figures for 1942, follow:

Firm Power Consumption
(Thousands of kilowatt hours)

	July 1943	July 1942
Prince Ed. Island	721	660
Nova Scotia	47,479	35,457
New Brunswick	44,196	34,058
Quebec	1,536,870	1,246,853
Ontario	922,754	938,022
Manitoba	99,924	82,233
Saskatchewan	52,290	50,286
Alberta	41,758	35,926
British Columbia	216,478	204,627
Total	2,962,470	2,628,122

4.3% Increase In Hydro Load

North. Ontario System Shows Only Declines All Others Up or Same

An increase of 4.3%, or 93,000 h.p., was shown in the combined primary and secondary loads of The Hydro-Electric Power Commission for July, 1943, as compared to the same period last year. Primary load figures alone showed a decrease of .3%. Figures are based on the maximum 20-minute peak horsepower load for the period, and cover all the four hydro systems and the Northern Ontario properties.

Decreases in load were confined entirely to the Northern Ontario properties, where the primary load decrease amounted to 12.1% and the combined primary and secondary loads, 11.8%. Increases were shown in all other systems, with the exception of the Niagara system, where there was no appreciable change in the primary load. Detailed figures are given in the table below.

Maximum 20-Min. Peak H.P.

Primary Loads:	July 1943	July 1942	Incr. %
Niagara	1,561,662	1,560,992	0
East. Ontario	191,186	174,084	9.8
Georgian Bay	55,015	53,282	3.3
Thunder Bay	101,307	101,233	0.1
Nor. Ontario	191,347	217,790	—12.1
Total all systems	2,100,517	2,107,381	—0.3
Primary and Secondary Loads:			
Niagara	1,662,064	1,566,756	6.1
East. Ontario	191,186	174,084	9.8
Georgian Bay	55,015	53,282	3.3
Thunder Bay	120,938	110,912	9.0
Nor. Ontario	230,623	261,489	—11.8
Total all systems	2,259,826	2,166,523	4.3

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

Newsprint Paper. WPTB order A-820, July 21, permits an increase of $4 per ton in the selling price of newsprint paper. Effective Sept. 1. Newsprint Adm., G. E. Hoult.

* * *

Eastern White Beans. WPTB order A-865, Aug. 27, fixes the maximum selling prices of eastern white beans (pea beans) when sold by processors, wholesale distributors and retailers. Effective Sept. 1. Adm. of Flour and Cereal Products, J. J. Page.

* * *

Sale of Preserves. WPTB order 309, Aug. 20, prohibits the sale of certain preserves to consumers from Aug. 22 to Sept. 1. WPTB Deputy Chairman, M. W. MacKenzie.

* * *

Atlantic Coast Canned Chicken Haddies, Finnan Haddies and Mackerel. WPTB order A-837, Aug. 28, fixes the maximum selling prices of canned chicken haddies, finnan haddies and mackerel when produced from fish caught off the eastern coast or the coast of Newfoundland. Adm. of Fish and Fish Products, A. N. McLean.

* * *

Salt. WPTB order A-866, Aug. 28, restricts the packaging of salt for domestic use. Co-ordinator, Foods Adm., K. W. Taylor.

* * *

Fertilizers. WPTB order A-868, Aug. 30, fixes the maximum prices of fertilizers in the provinces of Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. Adm. of Fertilizers and Pesticides, G. S. Peart.

* * *

Cane Molasses. WPTB order A-869, Aug. 30, sets the maximum selling prices of cane molasses for importers, wholesalers or retailers. Sugar Adm., S. R. Noble.

* * *

Pyrethrum and Rotenone. WPTB order A-857, Aug. 31, no person may sell or dispose of any pyrethrum or rotenone except by written permit and a complete record of all dealings must be kept. Adm. of Fertilizers and Pesticides, G. S. Peart.

Power Corp. Group Reports Larger Output

Power Corp. of Canada, controlled and affiliated companies, report power output in July of 229.3 million kw.h. This contrasts with 210.2 million kw.h. for the same month last year, an increase of 9.09%.

	July 1943	July 1942
B. C. Power	63,424,883	57,435,161
Can. North. Power	44,497,153	52,871,709
East Koot. Power	10,605,752	10,340,028
Nor. B. C. Power	2,114,052	1,616,152
South. Can. Power	24,913,880	21,695,640
Wpg. Electric	83,737,800	66,212,700
	229,293,520	210,171,390

Contact Rural Canada

Contact rural Canada through the national magazine that reaches more than 300,000 Canadian farm homes from coast to coast — the Family Herald and Weekly Star. Completely national in coverage it brings reliably expertly edited news to farmers from Vancouver to Halifax alike.

Let the Family Herald and Weekly Star establish your name and product in the farm market. Even if you haven't immediate goods to sell, be prepared for post-war business.

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How much weight should a civilian carry?

IN THE PICTURE ABOVE, you can readily see that the soldier is carrying a substantial burden—equipment which weighs some 43 pounds. What you may not realize is that the civilian carries an equally heavy burden—a burden of overweight which he carries around day and night, in contrast with the soldier who can put aside his pack and rifle when he rests.

It's an unfortunate fact that excessive fat places a great deal of extra work on the heart, kidneys, and lungs—work from which there is no relief. That is why overweight can be a threat to health. Figures show that people over 45 who are 20% overweight have a death rate 50% above the average.

What causes excessive weight? Sometimes it is due to glandular disturbances. The most common causes are too much food, and not enough exercise.

When the body gets more food than it needs for its work, the excess is stored as fat. If less is eaten than is required, the body loses weight by burning some of its reserve fatty tissue. Exercise hastens the process, but by itself is seldom effective. This gives us the principle often used in planning programmes to reduce weight.

If you are overweight and want to reduce to your "fighting" weight, you will be wise to start by having your doctor examine you thoroughly. With his advice, a diet can be planned which in normal cases will cause a moderate, steady loss in weight and at the same time adequately protect your health. Exercise, fitted to your age, condition, and occupation, will round out the programme.

Avoid the use of reducing drugs except on the doctor's advice. Girls in their 'teens should especially avoid "fad" diets or the risk of reducing on their own responsibility.

To help those interested in watching their weight, Metropolitan offers a free booklet entitled, "Overweight and Underweight." Among other things it contains information about low-calorie diets and helpful exercises. Address your request to Booklet Department 9-y-43, Canadian Head Office, Ottawa.

75th ANNIVERSARY 1868-1943

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE: OTTAWA

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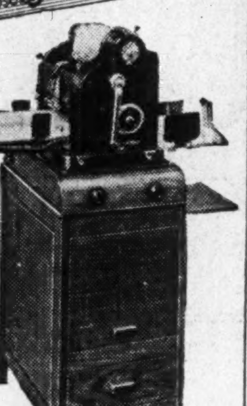

THE Gestetner peace time policy of operating only through our own direct factory branches is proving of great service today to our armed forces, war industries and essential civilian users alike. In fifteen principal cities from coast to coast in Canada, Gestetner duplicating experts are ready to respond to your call for service or advice on all matters pertaining to duplicating.

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The 5th Freedom

TO freedom of religion and of speech, to freedom from want and fear, we add a fifth, a special freedom—the liberty of personal initiative, the freedom of private enterprise.

Because Canadians have been free to conduct their industrial, commercial and financial establishments unregimented by the state, personal initiative in Canada has flourished in the service of Canada's people. Aside from temporary wartime restrictions, no one dictates to you what you shall eat or wear or enjoy—and in the operation of your business no autocratic overlord specifies what goods you shall make or what services you must offer.

Through the free interplay of commerce, business sets out to meet public demand. For whether the public buys or not depends on whether business offers what it wants. Thus free enterprise is controlled by the one really effective factor—the needs and wants of the people.

4D-43

THE BANK OF TORONTO
Incorporated 1855

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY *Adelphi*

LONDON.—Well, here we are in London waiting for the news from America. London used to be the news centre of the world. Now we ask for the crumbs. Only piece of concrete information so far is that Lord Louis Mountbatten is going to become the Generalissimo against the Japs.

The public in Britain misunderstood his father most cruelly. For a long time they misunderstood the son most stupidly.

The breaking of Prince Louis of Battenberg in 1914 by popular clamor was an ugly business. As first Sea Lord under Churchill it was he who took the drastic decision not to disperse the fleet at the end of its manoeuvres in July, 1914. Churchill loyally sustained him, but the order originated with the First Sea Lord as Chief Executive.

It was a decision which made a vast contribution to victory. But the Prince was of Germanic origin and the public lost its head. After a cruel and hysterical campaign, Prince Louis threw in his hand. Churchill was furious but his naval chief said that he could not carry on without the nation's confidence. He changed his name to Milford Haven and disappeared from public life. Graciously the nation raised no clamor against the youthful son serving in the Navy.

On the change of his father's name, the boy became Lord Louis Mountbatten. He was good looking, tall, broad-shouldered and related to pretty well every royal family in existence.

His marriage to Edwina Ashley who, with her sister, inherited a great fortune from Sir Ernest Cassels, lit up the town when it took place. The world was at peace. Night clubs were flourishing in London. The smart set and the "Bright young things" had driven the remnants of stately Victorian society into a splendid seclusion. The handsome Mountbatten and the beautiful Edwina would be the leaders of the new social order. All was well in the silliest of all possible worlds.

* * *

Playboy No More

Lord Louis played polo, raced cars and speedboats, and flew an airplane. What better habits for a playboy?

He was anything but a playboy. He was serious almost to the point of dulness. He was as purposeful as a puritan son of the Manse. He was speed mad, but only because he saw that the internal combustion engine would change the whole conduct of war.

He took up wireless and became an instructor in the navy and eventually chief wireless officer in the Mediterranean. Painstaking, thorough, relentless, serious. The public only heard of him when he broke his collar bone at polo, and had a motor smash, or was photographed at a restaurant.

Then came the war. Stories began to come back from the sea about the bravery of Mountbatten and his destroyer flotilla. At Norway and Crete and Dunkirk he dashed into action as if he were riding his pony at Ranelagh. One of the ships he was on went down. Later the Germans pounded his ship "Kelly" until with complete confidence they announced that it had been sunk.

Four days later a ghost ship crawled into a British port. Its decks were awash and one boiler was open to the sea. The ship was crumpled and mangled until it was a tragic caricature. A tall, weary man with a four days' beard came off the bridge. It was Louis Mountbatten. He had buried his dead at sea, comforted the wounded and completed an incredible feat of navigation. The Navy toasted "Dicky" Mountbatten that night although no one seems to know how he came to be called by that name.

Churchill has avenged the father. The glory of Louis Mountbatten is the answer to the mob in 1914 shouting "traitor" and "spy" against the man who held the Navy mobilized for the German onslaught.

* * *

Bouquet for Brendan

We are all sorry to hear that Brendan Bracken has been scolded by the American and Canadian reporters. The charge that his manner is patronizing seems odd to us. He is as friendly and kindly as a St. Bernard dog which, in fact, he rather resembles. He would go to any trouble to carry brandy to a snowbound pilgrim in the mountains.

It is true that he has a dangerous gift for irony, an intellectual quality more appreciated in the old world than in the new. Here we would forgive almost anything for a phrase. Perhaps Americans and Canadians do not share the feeling.

There is another difference in dealing with the Press over here and over there. The Americans are given to making statements "off the record" and it is a tribute to the fourth estate that such confidences have hardly ever been betrayed. The British journalist does not like the "off the record" technique and neither does the British politician.

The journalist here wants news that he can publish. He is also suspicious that ministers make confidential statements to him merely to prevent their publication and thus avoid an embarrassment. On the other hand, the minister sees no reason why a journalist should be entrusted with a secret which is supposed to be known only to members of the government.

Naturally there are occasions when Bracken or Churchill or Eden will send for the press and tell them of some impending move which can only be endangered by conjecture or press advocacy. But this does not happen often.

I am sure that Brendan Bracken came to grief in Quebec merely because of the different technique.

* * *

Swing to Left?

Political experts in London are tapping their noses with their pencils. New Zealand has a labor government. Mr. Curtin's labor government in Australia has had a triumph at the polls. The CCF is obviously on the up and up in Canada. Yesterday in the by-election at Chippenham, caused by the death of Colonel Victor Cazalet the Tory only got in against an Independent by 195 votes. In 1935 the majority was nearly 10,000.

Is this a worldwide movement? If so it will be complicated by the fact that British Labor is violently anti-communist. Politically there is no love lost between the Kremlin in Moscow and Transport House in London.

The admiration for the Russians as fighting men and women is unstinted among British workers but the great majority of them want nothing to do with the Russian politcal gospel.

The tapping of the noses goes on.

* * *

Hoare Scores

Sir Samuel Hoare has announced that he has come to a complete agreement with Franco. No one knows what that means but in this out-of-the-world place called London, we are grateful for any items of news.

I suggest, however, that Sam Hoare, after the war is over, will be able to write a book which will startle the world. His activities from Madrid are of such a character that he deserves the undying gratitude of his fellow countrymen. Believe me, he has done a terrific and complex piece of work.

I doubt though that he will ever get any credit for it. He was branded as a man of Munich—among others of course—and for some reason it still sticks to him whereas the people have forgotten about the others. You will remember that Sam Hoare went to Madrid to keep Spain out of the war while Halifax and Cripps went to America and Russia respectively to do their best to bring those countries in, as far as possible, on our side. Spain kept out. America and Russia came in because they were attacked. Such is the fickleness of public enthusiasm that Hoare and Halifax get no credit while Cripps was blown up into high favor.

All very strange.

* * *

Bombers Over London

Every night the drone of bombers is heard over London, but never the sound of a siren. The drone goes on and on as hundreds of our bombers make for the continent.

One would almost be willing to endure the bombing of Berlin just to see that ugly provincial arrogant capital getting what has been coming to it for a hundred years. Millions of men and women have died because Berlin decreed it. For 75 years it has been the plague spot of Europe infecting others but immune from the ravages of the disease which it communicated to the outside world.

I saw German officers and their drab wives strutting around the foyer of the Berlin opera house (all strutting must be done clockwise, there is no two-way traffic in the foyer) one week after Hitler's night of the long knives in 1934. They saw in him their tool. He saw in them his dupes.

Which of them will win out? Neither, if we prove worthy of those boys who fly the darkened skies over Europe every night and, by their hundreds, do not come back.

A Letter to Pipe Smokers

Gentlemen:

Owing to war time restrictions on imports, many world famous brands of pipe tobacco are now unavailable in Canada. If your favourite smoking mixture should be one of these, may we respectfully draw your attention to

Brahadi's CELEBRATED SMOKING MIXTURES — W.D.&H.O. WILLS' English Mixture — Piccadilly LONDON SMOKING MIXTURE

These are produced in Canada on formulas based on popular imported types, and some smokers like them even better. Ask your dealer which of these brands is closest to what you have been smoking. A trial will convince you that they compare favourably with the world's leading pipe tobaccos.

Sincerely
The Manufacturers

War Building Fading In U.S. Industry Picture

Year Later in Starting, U. S. Construction Pattern Repeats That Established in Canadian Trade

A year behind Canada in realizing a war-building boom, the United States is following by the same margin our 1942 reaction, a Brookmire Economic Service report indicates. It will be remembered that for more than a year before assuming belligerent status, the United States experienced substantial industrial expansion in which the chief factor was munitions trade with earlier belligerents.

So far this year, Canadian construction contracts have totalled around $150 millions as against about $200 millions for the corresponding 1942 period; the drop from 1941 volume for the whole year 1942 was in the amount of $118 millions, i.e., from $403 millions to $285 millions. 'Forty-one was Canada's biggest building year since depression days,

U. S. Peak in 1942

It was not until 1942 that the peak was reached in U. S.; in that year a construction total of more than $13.5 billions was recorded, contrasting with under $2.5 billions for 1933, the year in which building was at lowest ebb in both countries. Reporting that early war requirements boosted the rate of total new construction to much greater heights than in World War I, Brookmire says that:

1. Current downward revisions of war needs are causing a pronounced drop in military, naval and industrial construction, while private building had been forced to curtail for some time earlier;

2. Deferred needs for private structures are gradually piling up—to be filled after return of peace.

Comparing figures for the second half of last year with those for the first half of 1943, Brookmire reports military and naval construction off 48.6% and publicly financed industrial building 35.7%, as emphasis shifted from plant building to production of military equipment and supplies.

Magnitude and relative importance of construction in the U. S. war program are expected to suffer further reduction, it is stated. In the first three quarters of 1942 the construction proportion had run as high as 20% of the total spent by the government for war purposes, whereas in the last quarter it equalled only about 6%.

New Boom Shaping

As in Canada, residential building in the U. S. is expected to be in the forefront of a vigorous upsurge in private building as soon as war curbs are removed.

Since metals and many other materials had to be pre-empted for war use, private building has been sharply curtailed in both countries, although Canadian residential construction has held up better than the U. S. volume in that category.

Brookmire reports U. S. private building (excepting the public utility field) as having slumped 81% from the level of the second half of 1941.

Timing of the war's termination will have important bearing on magnitude of the building backlog but, says Brookmire, the pre-war vacancy rate in the nation's dwellings was already low and the prevailing subnormal scale of new construction is accentuating the housing shortage. (Canada's housing backlog is put in the construction industry at about $1.3 billions.)

Brookmire sums its report by observations having considerable bearing as well on the Canadian situation: On the one hand, the report says, inflationary tendencies may stimulate investment in land and buildings; high taxes moreover enhance the advantages of the real estate tax deductions from individuals' incomes. On the other hand, the level of construction costs and the impact of the postwar readjustments on consumers' incomes will have to be measured. Further curtailment in the rate of new construction will mark the near-term outlook but postwar prospects are promising, notably in residential building.

General Store Sales Up 18% for July

Country general store sales averaged 18% higher in July this year than last, according to reports received from approximately 600 of these general merchandise stores located in the smaller towns and rural areas and published by the Dominion Bureau of Statistics. Sales during the seven months ended July averaged 13.9% higher than in the corresponding period of 1942.

All regions of the country reported gains in July this year over last ranging from 6% for the southern part of Quebec to 34% for southern Saskatchewan. Sales for Ontario increased by 11%; British Columbia, 12%; Quebec, 13%; Alberta, 21%; the Maritime Provinces, 24%; Manitoba, 25% and Saskatchewan, 30%.

Allowing for the difference in number and sales importance of the business days of July this year and last and for normal seasonal movements, sales in July were up by 18% over July last year and increased 8% from June. There was one more Saturday in July this year than last.

A MESSAGE FROM HITLER!

HITLER SAYS: "HERE ARE 6 WAYS TO WRECK A GOOD RUBBER BELT"

1

"RUN IT TOO TIGHT"
But Gutta Percha says: "You'll stretch the heart out of any belt by keeping it too tight, so keep a constant check on belt tension."
Don't Wreck-PRESERVE!

2

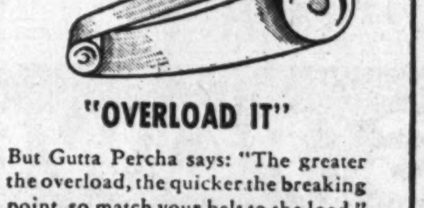
"KEEP IT DIRTY"
But Gutta Percha says: "No belt can stand abrasive dirt on pulleys and bearings, so keep belts clean for maximum performance."
Don't Wreck-PRESERVE!

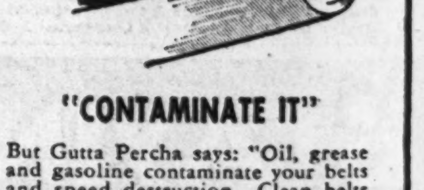
3

"RUN BROKEN SPLICES"
But Gutta Percha says: "Always replace broken fasteners on worn splices. A tight, strong splice is essential to long belt life."
Don't Wreck-PRESERVE!

4

"RUB EDGES"
But Gutta Percha says: "Belt rub against stationary objects is guaranteed to take the edges off any belt, so run your belts free from abrasion."
Don't Wreck-PRESERVE!

5

"OVERLOAD IT"
But Gutta Percha says: "The greater the overload, the quicker the breaking point, so match your belt to the load."
Don't Wreck-PRESERVE!

6

"CONTAMINATE IT"
But Gutta Percha says: "Oil, grease and gasoline contaminate your belts and speed destruction. Clean belts last longer."
Don't Wreck-PRESERVE!

A MESSAGE FROM GUTTA PERCHA

● Three rules to help wartime conservation of belts are CARE, REPAIR, and, when new belts become necessary, PROPER BELT SELECTION. Obey the first two to put replacement dates as far away as possible—and depend on Gutta Percha to give you the answer to the third. Gutta Percha's more than 60 years' experience in rubber manufacture makes Gutta Percha belts and belting your best buy.

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THE FINANCIAL POST

Canada's Foremost Business Newspaper

Toronto, September 11, 1943

Canada's Aid to Allies Approaching $4 Billions

Maple Leaf Insignia Will Appear on Every Battlefront as Mutual Aid Program Goes Into High — Aid Fund Forms Pool For All United Nations

By KENNETH R. WILSON

Moving soon from Canadian ports will be an impressive flow of munitions, foodstuffs and various war supplies destined for Russia, China and other United Nations under Canada's Mutual Aid program.

This war material will bear the new Maple Leaf insignia surrounded by the word "Canada" in English, Russian and Chinese letters. Shortly it is hoped to have this insignia on every package or unit of war equipment or supplies sent from Canada.

Already a great deal of Canadian war material and supplies has found its way to the fighting fronts of the world. Almost from the outbreak of war shipments have gone direct from Canada to Australia, New Zealand, South Africa and other parts of the Commonwealth. Moreover, a great deal has gone to Russia, China and other countries via great Britain or the United States. (Canada is credited last year with sending about $100 millions of supplies to Russia. But this was handled largely through the Canadian Billion Dollar gift to U.K. There was no mechanism, prior to Mutual Aid, whereby Canada could make a direct contribution to Russia, China or other United Nations than via the U. K.)

"Strategic Needs"

Now, for the first time, Canada is getting her new Mutual Aid program under way. This permits giving, by Act of Parliament and through a specifically named War Supplies Allocation Board, $1 billion of war material and supplies on the basis of "strategic need." It is probable that the billion dollars will fall considerably short of actual need during the fiscal year 1943-44. It is expected, but not officially confirmed, that Russian and Chinese needs alone will require some $200 millions. An unknown factor is United Nations' ability to deliver to China the amount of war supplies which she needs and which Canada is undertaking to produce.

Major imponderable in Mutual Aid financing is the extent to which Canadian troops overseas will be involved in action by the end of the current fiscal year. If there is no major action beyond the present level of lighting in Italy, then the British debit will probably be much higher than was originally anticipated. If, on the other hand, Canadian troops use substantial quantities of British supplies and equipment in a major second-front operation, Canada's over-all credit balance will be reduced.

Aid Worth Four Billions

Although the new Mutual Aid program and the previous billion dollar gift to Britain have received the lion's share of press publicity, actually by next year Canada will have aided Britain and our other allies by more than $4 billions. An official tabulation showing how that aid has been distributed is shown in the accompanying panel.

For several months now a small group of officials at Ottawa has been wrestling with the paper work necessary to implement Canada's plan to give Mutual Aid to Russia, China and other countries. The list of countries to whom this aid is expected to go includes Australia, New Zealand, India, the French Committee of National Liberation and the Caribbean area. The Mutual Aid bill was given final assent in Parliament on May 20, 1943.

Howe is Chairman

Chairman of the Mutual Aid Board is Hon. C. D. Howe, Minister of Munitions and Supply. Other members are Hon. J. L. Ralston, Minister of National Defense; Hon. J. L. Ilsley, Minister of Finance; Hon. James Gardiner, Minister of Agriculture; Hon. L. S. St. Laurent, Minister of Justice. Normally the board meets at 11 a.m. on Monday of each week. On its shoulders falls final responsibility for deciding how the money which Parliament has appropriated shall be spent and what supplies shall go where.

Chief administrative officer of the Board is Karl C. Fraser, a Canadian who was brought to Ottawa from Washington, where he had served with the U. K. Supply Mission and other bodies associated with inter-country war allocation and supply. With Mr. Fraser are associated Dr. J. R. Petrie and G. R. Heaseman, on loan from the Department of Trade and Commorce.

In addition to the Mutual Aid Board at Cabinet level, there is an operational committee of seven senior representatives of interested departments, including Dr. W. C. Clark of the Department of Finance and Hume Wrong of the Department of External Affairs. This committee clears the detailed work of administering the branch so far as inter-departmental matters are concerned.

To Increase Russian Share

In the case of Russia, Canada signed a protocol last June undertaking to assign and ship to Russia a certain specified amount of war supplies via Mutual Aid. This protocol was based largely on quantities and amounts which, prior to Mutual Aid, were being shipped to Russia by Canada via Great Britain and the United States. Since that time an important official mission has visited Canada from Russia seeking to increase the amount of supplies which will be assured Russia from Canada. It is expected that as a result Canada will increase her commitment to Russia in the near future.

Canada has also been negotiating with China and other United Nations for direct shipments of war supplies. When Prime Minister King was at Quebec, he handed confirmation of Canada's undertaking in respect to China to T. V. Soong, China's Minister of Foreign Affairs.

Set up Central Pool

One important feature about Canada's aid to China is that there will be set up in this country a central pool to which all war production and supplies destined for China will be brought. Thus by the time supplies are ready for shipment, everything needed, say, for certain types of guns or armament will be complete, ready for instant use at the front as soon as it arrives in China.

It has been found that there is little benefit to China, in the extraordinary difficulties under which she is fighting, to have Bren guns arrive minus their spare barrels or without ammunition.

When requests for assistance under Mutual Aid come to Ottawa they are cleared first through the Department of External Affairs, on the "diplomatic" level. Then officials of Mutual Aid distribute the proposals to various interested departments—fisheries, agriculture, the WPTB or to directors-general in the Department of Munitions and Supply who may be concerned in the manufacture or production of individual items. At all times questions of finance or matters involving military strategy are checked by the Departments of Finance or Defense.

So far as actual production of munitions is concerned, much of the material which is now being supplied under Mutual Aid was arranged for in Canadian production schedules many months ago. In the case of new or additional production decision must be reached as to whether it is necessary to step up output to meet the demand or merely extend the life of a contract. It is estimated that Mutual Aid is now being allocated 50% to war munitions and 50% to other supplies, such as foodstuffs, etc.

Finally, all decisions as to actual shipments of war goods from Canada must be cleared through the Canadian Munitions Assignments Committee which in turn works closely with its opposite number in Washington or London. It is this committee which decides any questions of priority as to allocation of the finished goods in the event that there is competitive bidding among the Canadian armed services or other claimants for war production in short supply. Mutual Aid is represented on this committee and must, if necessary, bid for the allocation for shipment of supplies once they are actually produced.

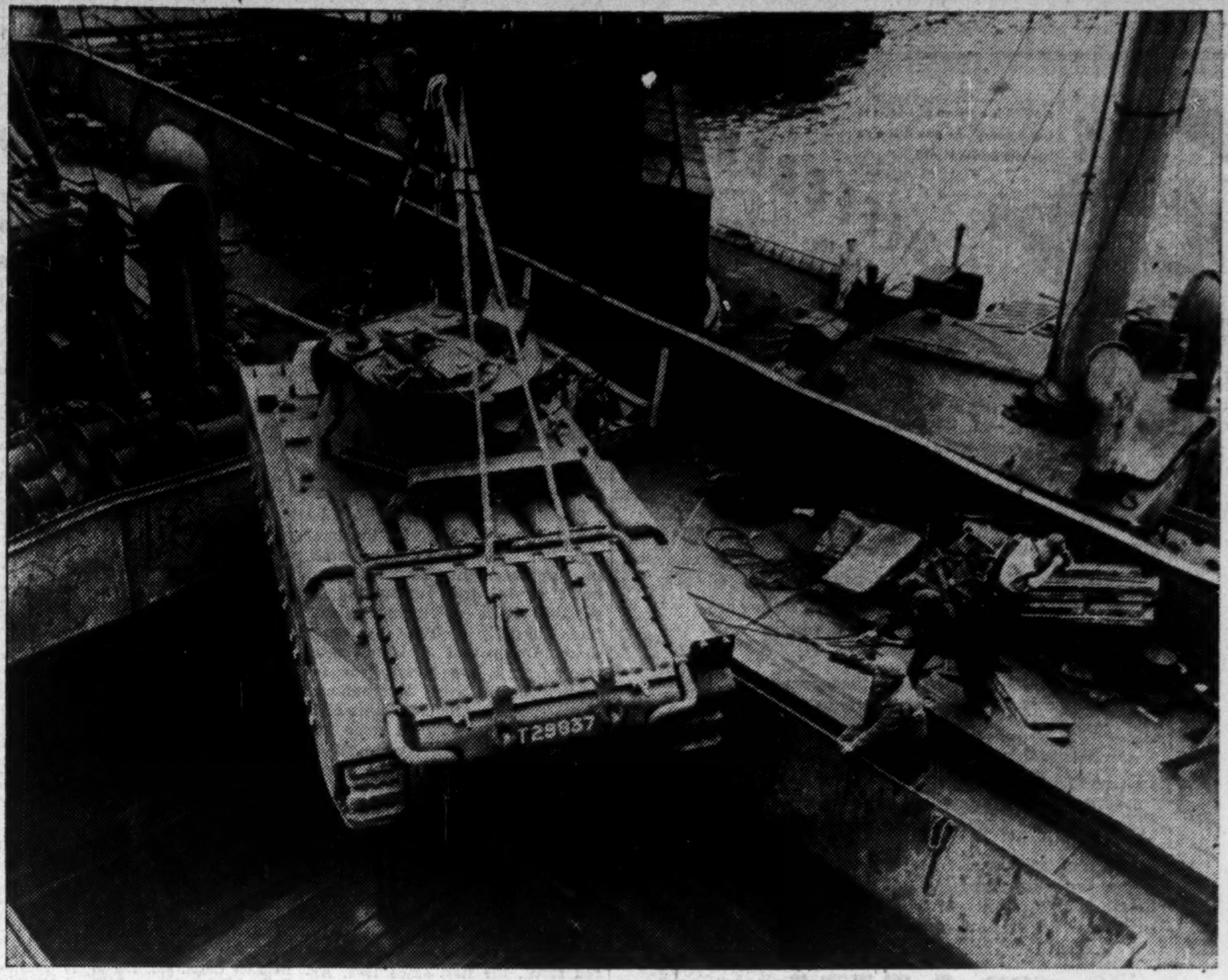
Recently another new committee has been announced, namely, a Joint War Aid Committee of Canada and the U. S. at Washington which is responsible for studying and making recommendations on "problems arising out of the U. S. Lend-Lease plan and Canada's Mutual Aid program." Canadian members of the committee include E. P. Taylor, L. B. Pearson, J. B. Carswell and Major-General Maurice Pope.

So far as Great Britain is concerned, Canada's commitment, announced by Finance Minister Ilsley in March, 1941, that British needs in this country would not be hampered by lack of Canadian dollars still operates, though in a somewhat different form to the billion dollar gift of 1942 and earlier arrangement.

Money, Not Goods

The gift of a billion dollars was one of money, not goods, though it was to be used only for certain purposes. Now the money is allocated to the Mutual Aid Board which in turn purchases the goods and supplies and gives these to Britain on the basis of strategic need. There are those at Ottawa who believe now it would have been wiser had Britain not been included under the Mutual Aid mechanism and that Canada had continued to simply supply the money (as in 1942) to meet whatever costs were incurred on Britain's behalf. The decision has now been made, however, and Britain's needs are treated much as other nations.

Essentially, Canada is trying under Mutual Aid to avoid having any postwar strings tied to the supplies she makes available. In some cases reciprocal arrangements have been concluded, but in all instances these are specified clearly at the time of the transfer.



Last year Canada supplied Russia with $100 millions worth of war goods, mostly via our billion dollar gift to the U. K. By Mutual Aid, our factories may now ship direct to the Soviets. Above: at a British port, a tank leaves to serve the Red Army.

$4 Billions For Our Allies

By next year Canada will have furnished her allies with over $4 billions of material aid. How that sum has been gradually built up is shown in the following:

Official Repatriation of Canadian securities in U. K. 1939-40 to 1942-43	$700,000,000
Interest Free Loan to U. K.	700,000,000
Billion Dollar Gift to U.K. (included war goods for Russia, Australia, N. Z., etc.)	1,000,000,000
Re-purchase by Canada of munitions plants set up and created in Canada by U. K.	200,000,000
The Mutual Aid Act	1,000,000,000
Added commitments for RCAF squadrons in Britain	341,000,000
Total	$3,941,000,000

Canadian-made war supplies henceforth will go forward to United Nations allies with the name "Canada" emblazoned in Chinese, Russian and English on the commodities. The Mutual Aid Board, which provides for distribution of Canadian war equipment, has made the announcement.

Whether the shipments consist of bags of flour going to the blood-soaked steppes of the Caucasus, rifles for the courageous Chinese or motor vehicles for the steaming jungles of India, they will carry the stamp of Canadian workmanship and goodwill.

Produced according to specifications of the Mutual Aid Board, the new insignia for Canadian exports is in the form of a sticker. Circular in shape, centred upon a maple leaf and designed in red, blue and gold, the name "Canada" in three languages edges the circle.

Mutual Aid, which provides for the distribution of Canadian war equipment, raw materials and foodstuffs to the United Nations to the value of $1,000,000,000 on the basis of "strategic need," also is concerned with the concluding of any reciprocal arrangements which may be practicable.

Canada's allies will furnish Canada with supplies or services in return if they can, or may assure the return after the war of any supplies or equipment which appear to have postwar use. Where any terms and considerations are provided for besides strategic need, these will be specified clearly at the time of the transfer. Meanwhile, there will be no piling up of huge war debts by the sale of supplies to the United Nations for payment after the war or the institution of indefinite and uncertain postwar obligations.

Irrigation Program

Water For the West's Parched Lands

Prairie Farm Rehabilitation Program Involves Cost of $111 Millions

By GALEN CRAIK
Special Correspondence

REGINA.—There are men who have looked out across the broad western plains, bare from years of drought, and dreamed dreams of the future. But they are practical men, and their dreams have been practical dreams.

They watched the wide rivers flowing through these prairie lands, thought of the great torrents, the millions of gallons of water, which year after year coursed their way heedlessly to the lakes and the seas.

They saw millions of acres of land beside these rivers, parched and starved for water, rich soil that for lack of moisture could not produce as it should. The waste appalled them.

And because they are practical men as well as men of vision, they dreamed of harnessing the waters of these great rivers, of transforming vast tracts of land into fertile areas where crops can be grown whether it rains or not.

The Plan Results

The result is a $111 millions irrigation scheme to embrace the three prairie provinces of Alberta, Saskatchewan and Manitoba, drawn up by the Prairie Farm Rehabilitation organization, director of which is Mr. George Spence of Regina. Presented recently in Ottawa before the House Committee on Reconstruction and Rehabilitation, it is designed to restore sub-marginal lands, solve the drought problem, provide postwar employment for men returning from the war, develop power and provide water for stock and for diversification of the country's culture.

PFRA Has a Plan

After several years of planning and careful investigation by engineers of the PFRA (headquarters in Regina) work was begun in 1935 mapping out a program of rehabilitation.

Under this plan hundreds of thousands of acres of land in Alberta and Saskatchewan, and to a lesser extent in Manitoba, could be transformed into great areas of irrigated country which, properly handled, would go far toward solving drought problems and the question of economic stability.

The scheme is based on the virtually untapped water resources of a number of big rivers which have their sources in the Rocky Mountains and numerous smaller streams, all of which rampage through the plains at flood-tide and whose flow is considerably reduced in the dry season.

The PFRA irrigation program has been divided into four sections:

1. Those projects which can be proceeded with at once.
2. Those which are practically ready for construction.
3. Those on which preliminary investigations have been made.
4. Those on which information is available from reconnaissance surveys only.

Irrigate Three Million Acres

The total estimated expenditure for irrigation projects is $81.4 millions, says the report by Ben Russell, senior consulting engineer of the PFRA program. This expenditure would provide irrigation for about 2,234,000 acres which, in addition to the area now irrigated, would make a total of 3,000,000 acres.

(The additional $29 millions-odd required to make up the proposed $111 millions program is accounted for by the planned development of storage facilities on the Bow, Red Deer, North Saskatchewan and Clearwater rivers, for power and irrigation and other projects.)

Of the 2,234,000 acres it is proposed to irrigate, close to a million would be in Saskatchewan. The total cost for the program, as it affects Saskatchewan, would run to about $48.1 millions, including the proportion of cost properly chargeable to the province for inter-provincial projects such as the North Saskatchewan scheme.

Key Plan

Key part of the plan is the North Saskatchewan River irrigation project.

This would involve diverting the waters of the North Saskatchewan and the Clearwater rivers into the Red Deer river, south of Rocky Mountain House in Alberta, from which, by a gravity system, the waters of the three streams would be conveyed east into Sullivan lake, where it would be admirably situated on high land to irrigate a tremendous tract of land, extending from Hanna in Alberta south and east to Saskatoon.

There are other possibilities in this plan, chances for power development as well as irrigation that are almost breath-taking in their magnitude. They hinge on Buffalo lake, as a storage basin, not far from Sullivan lake in Alberta.

It has been found that Buffalo lake is not as suitable as Sullivan lake for storage for irrigation, as it is on ground some 100 feet lower. However, by utilizing some of the flow from the Red Deer river, augmented as it would be by waters from the North Saskatchewan and Clearwater rivers, and by building a dam across the Red Deer river below the outlet to Buffalo lake, power development would be possible there which would not only provide enormous quantities of power, but extend irrigation possibilities as well.

There is, however, some possibility that two separate diversions might be developed, one in Alberta to take care of lands in that province, and another in Saskatchewan to provide only for irrigation there.

A dam on the South Saskatchewan river would make possible the generation of power for industry in this province, states the Russell report.

It would bring the point of diversion closer to the irrigable lands, thus saving losses in transportation and maintenance costs.

There would be little property damage from flooding.

However, there are advantages in co-ordinated programs of water development, and the independent development of lands in Saskatchewan would conflict with this principle.

Also, for full development of irrigation and water power in the two provinces both the North and the South Saskatchewan rivers are necessary. The only practical irrigation use of the North Saskatchewan can be obtained by diverting some of its flow to the South Saskatchewan, and the only point where this diversion can take place is in Alberta. If this diversion is not made, says the report, "there will be a deficiency in the water supply for the ultimate development of irrigation and power."

There are two alternatives to the North Saskatchewan scheme.

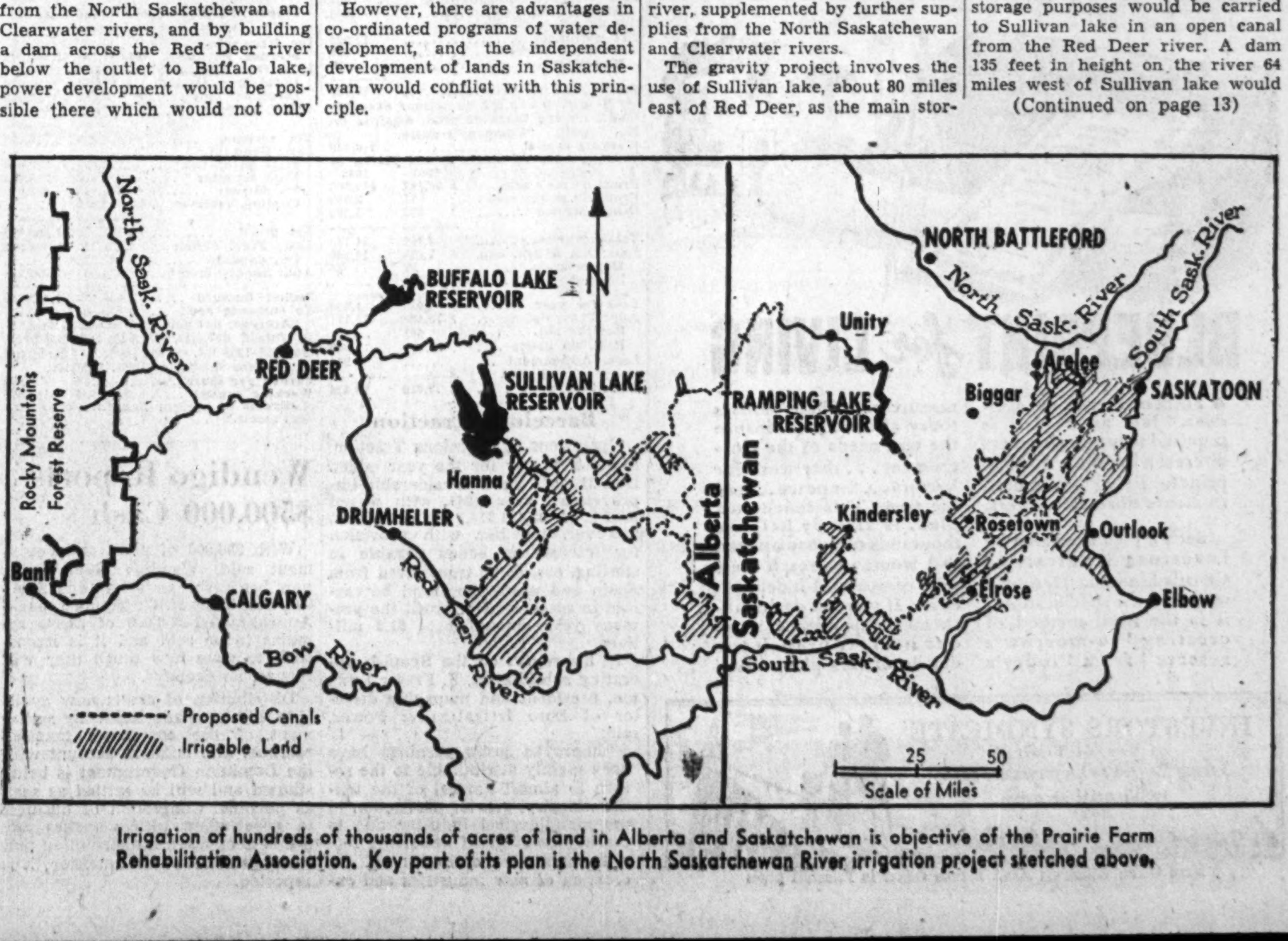
One is a purely gravity irrigation scheme. Both would derive their water supplies from the Red Deer river, supplemented by further supplies from the North Saskatchewan and Clearwater rivers.

The gravity project involves the use of Sullivan lake, about 80 miles east of Red Deer, as the main storage reservoir. It has a storage capacity of 1,860,000 acre feet and from it enough water could be diverted, through natural channels and man-made canals, to irrigate approximately 900,000 acres of land between Hanna in Alberta and Saskatoon. Tramping lake, a secondary reservoir, southeast of Unity, could be used as an additional storage basin.

The main irrigable areas in Saskatchewan would lie, roughly, between Elrose and Tichfield in the south, up through Outlook to Saskatoon in the east and from Rosetown northwest to Arelee and thence to Saskatoon.

This is what is known as the gravity diversion plan. Water for storage purposes would be carried to Sullivan lake in an open canal from the Red Deer river. A dam 135 feet in height on the river 64 miles west of Sullivan lake would

(Continued on page 13)



Irrigation of hundreds of thousands of acres of land in Alberta and Saskatchewan is objective of the Prairie Farm Rehabilitation Association. Key part of its plan is the North Saskatchewan River irrigation project sketched above.

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- It gives vital support towards Victory.
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- Reduced spending takes pressure off the Price Ceiling and helps hold prices down.
- Your friends are saving and adopting thrifty habits—it's the popular thing to do.

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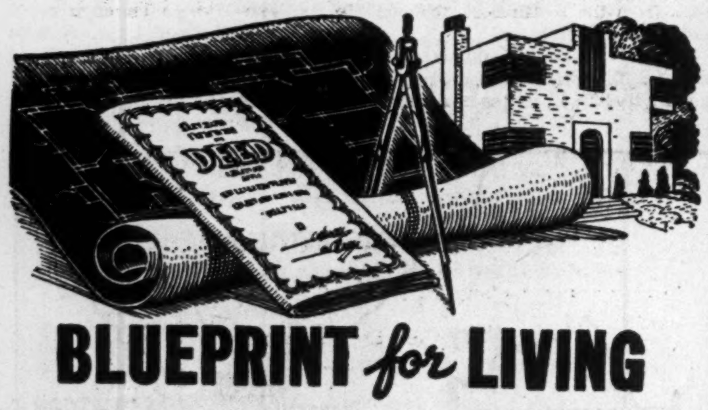

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September Dividends Show Sharp Reduction

Payments Down $3 Millions According to Present Estimates With Two Large Concerns Not Heard From; Three Extras Paid, Others Up

Dividends payable in September declined by $3 millions compared with a year ago, resulting in a near doubling of the decline to date in 1943 which now stands at $7.1 millions compared with $4.4 millions a month ago. The decline for the first nine months of 1942 amounted to $4.7 millions as against 1941 figures.

Principal declines are to be found in the bank stocks, the total reduction of the Royal Bank, Banque Canadienne Nationale, and Bank of Montreal amounting to $420,000. Each of these reduced their quarterly dividend by 50c. a share. Unreported dividends also account for a large part of the decrease, particularly International Paper and Howe Sound, whose dividends last year totalled some $1.5 million dollars. Announcement of payment on these is expected shortly.

Three companies report payment of extras this month—Agnew-Surpass will pay an additional .20c. a share on its common stock, Asbestos Corp. 10c. and D. A. Stuart Oil 25c. a share on its preferred stock.

Holt Renfrew has declared a payment of $3.50 a share on its preferred stock, the first since 1933. Arrears on this stock will amount to $70 a share at Oct. 1, 1943. Federal Grain has announced payment of $2 on arrears of its preferred stock shares.

Waite-Amulet has increased its dividend from 15c. to 20c. and Royal Crest Oil will pay 1c. a share, the first since a similar payment in 1941.

Other reductions in dividends have been made by De Havilland Aircraft, which has deferred payment on its preferred stock, and McKenzie Red Lake, with a ½c. a share reduction to 2½c.

Monthly Dividends

	1943	1942
January	$20,222,823	$22,952,057
February	9,688,687	10,016,154
March	26,372,190	27,730,638
April	20,362,954	21,221,615
May	7,998,821	6,357,276
June	50,910,505	48,456,376
July	25,176,055	27,581,376
August	9,954,394	10,531,957
September	23,122,197	26,079,809
Total	193,808,576	200,927,258

Industrials and Utilities

Company	Rate $	Date	Amount $
Agnew Surpass	.40s	1	32,000
Do., extra	.20	1	16,000
Aluminium	2q	5	1,488,820
Do., pref.	†1.50q	1	108,673
Anglo-Can. Tel. (A)	.15q	1	73,065
Asbestos	.20q	30	120,000
Do., extra	.10	30	60,000
Assoc. Breweries, c.	.25q	30	59,500
Barber Ellis	.12½	15	5,500
Bathurst Pr. & P. A.	.25q	1	100,000
B. C. Packers	.75	15	102,208
Bright, T. G., pfd.	1.50q	15	11,113
Bruck S. Mills	.10q	15	12,500
Canada Cement, pfd.	1.25q	20	251,086
Canada Cycle	.30q	30	30,000
Do., pref.	1.25q	30	11,527
Can. Cr. Stone	.10q	15	6,374
Can. Dom. Sugar	.20q	1	300,000
Canada Dry	†.15q	9	92,273
Can. Found. Forg. A	.37½q	15	14,079
Canada Malting	.50q	15	99,486
Canada Vinegars	.10q	1	9,200
Can. Wire & Cable A	1q	15	29,668
Do. (B)	.25	15	37,666
Do., pref.	1.62½q	15	40,625
Candn. Bakeries, pfd.	1.25q	1	11,412
Can. Celanese	.25	30	65,102
Do., extra	.25	30	65,102
Do., pref.	1.75	30	175,000
Can. Inger. Rand	.75	4	142,800
Cap. Wire Cloth. pf.	.38q	1	3,800
Celanese of Amer., c.	.50	30	688,275
Corr. Paper Box, pfd.	1.75q	1	11,168
David & Frere A	.25q	30	5,750
Distillers-Seag., c.	.55½q	15	973,397
Dom. Envelope, pfd.	1.75q	1	7,227
Dom. Foundries, pf.	1.50q	1	18,000
Dominion Stores	.10	20	28,001
Eastern Steel, c.	.25q	1	14,500
Eng. Electric A	.25	15	10,649
Federal Grain, pfd.	▲2	1	60,000
Ford Motor A, B	.25q	18	414,740
Gatineau Power, c.	.15q	30	249,372
Gen. Steel Wares, c.	.25	20	77,719
Ham. Un. Theat. pfd.	1.25q	30	6,483
Holt Renfrew, pfd.	3.50	15	35,000
Imperial Tobacco	.10q	30	945,103
Do., pref.	3⅝s	30	240,900
Imperial Varnish	.12½q	1	6,701
Do., pref.	.37½q	1	4,020
Inter. C. Baking	.75q	30	15,858
Lake of W. Mill.	.30q	1	44,306
Do., pref.	1.75q	1	26,250
Langley's, pref.	.50	11	2,828
Laura Secord	.20q	1	57,500
Loblaw Groc. A, B	.25q	1	207,089
Loblaw Groc. Inc.	†.25q	1	86,373
Mackinnon Str. Stl. p.	1.25q	15	4,453
Marcus Loews, p.	1.75q	30	11,442
Massey Harris, pfd.	.62½s	15	302,247
Montreal Cottons	1q	15	30,000
Do., pref.	1.75q	15	52,500
Northwest. Util. pfd.	1.50q	1	17,430
N.S. Light & Pr. p.	1.50q	1	36,450
Ogilvie Flour, pfd.	1.75q	1	35,000
Paton Manfg.	1q	15	10,000
Do., pref.	1.75q	15	10,500
Regent Knit, pf.	.40q	1	6,400
Reliance Grain, pfd.	1.62½q	15	32,500
Rolland Paper, pfd.	1.50q	1	22,500
Russell Indust.	.20q	30	17,088
Do., pref.	1.75q	30	14,798
Simon & Sons	.15q	30	4,507
Do., pref.	1.75q	30	4,635
Toronto Elev., pfd.	.65½q	7	17,926
United Grain (A)	1	1	144,739
Do. (B)	.25	1	15,766
Walker-Good.	1q	15	721,537
Do., pref.	.25q	15	140,204
Total			9,464,310
Mining Companies			
Aunor Gold	.05	1	100,000
Broulan Porc.	.03	30	80,820
Central Patricia G.	.03q	30	75,000
Hallnor Mines	.10q	1	200,000
Hollinger Cons.	.05	9	246,000
Inter. Nickel, c.	†.50q	30	7,289,084
Lake Shore Mines	.20q	15	400,000
Macassa Mines	.06	15	160,684
McIntyre Porc.	.55½q	1	442,890
McK. Red Lake	.02½	17	73,375
Noranda Mines	1q	15	2,239,772
Perron Gold	.02	30	40,000
Proprietary Mines	.05	8	45,974
Siscoe Gold	.01½q	15	69,600
Waite Amulet	.20	10	660,000
Total			12,123,199
Oil Companies			
Federated Pete.	.01½	28	22,153
Four Star Pete.	.01	28	10,000
Royal Crest Pete.	.01	28	9,500
Stuart D. Oil, pf.	.20q	1	8,036
Do., extra	.25	1	10,045
Sunset Oils	.01	15	16,800
Vulcan Br. Pete.	.01	28	8,267
Total			84,801
Financial			
Bank Can. Nationale	1.50q	1	105,000
Bank of Montreal	1.50q	1	540,000
Bank of Toronto	2.50q	1	150,000
Can. Int. Inv. Tr. p.	.50q	1	7,527
Confederation Life	1.50	30	15,000
Dom. Scot. Inv., pf.	.50q	1	24,568
Indust. Accept. pfd.	1.25q	30	18,750
Montreal Loan	.31¼q	15	7,500
Provincial Bank	1.25q	1	50,000
Royal Bank	1.50q	1	525,000
Sec. Can. Int. Inv.	.15	1	2,828
Do., pref.	.10q	1	3,714
Total			1,449,887
Grand Total			23,122,197

q Quarterly. s Semi-annually. † N.Y. funds. ▲ On arrears.

Cut in Newsprint Use May Run as High as 10%

From Our Own Correspondent

MONTREAL.—Fourth quarter reduction in newsprint used in the United States "may be as much as 10% below the present third quarter basis" says American Newspaper Publishers Association.

General opinion is that there will be a reduction in paper usage, but the rate of decline will not be known until Guy Hoult, Newsprint Administrator, informs the War Production Board at Washington as to the amount of paper which the Canadian mills will make available for the last quarter.

Meanwhile, the newspaper industry advisory committee has recommended an additional 5% be trimmed from consumption, already restricted to less than the amount used in 1941.

Minimum Cut 5%?

In a bulletin to members, the ANPA said the cut may be expected even if Canada should continue shipments to this country at the present level—basically 210,000 tons a month—and added:

"It is expected that the cut will certainly not be less than 5% additional and may be as much as 10% below the present third quarter basis."

Analyzing the supply and demand picture, the ANPA said:

"If United States publishers in the fourth quarter received the estimated maximum tonnage from all sources, the expected amount was set at 870,000 tons.

"This is less than the amount estimated to be consumed in the fourth quarter if there is no further cut in consumption . . . this fact alone making it necessary for a further expected cut to be made in addition to using some tonnage out of stocks on hand.

May Dip Into Reserves

The possibility of using paper from inventories was the basis of the newspaper advisory committee's advice against a cut greater than 5%. It suggested and the WPB approved, that inventories in the hands of publishers be reduced in the northeast and central regions to 40 days' supply from 50, and in the west and south to 65 days' from 75.

Newspapers already are restricted to the use of less paper than the amount that was required to serve net paid circulation in 1941. The first order limited them basically to 100% of that figure and on July 1 a further cut ranging up to 5% for larger newspapers became effective.

Newsprint consumption for the first seven months of 1943 was estimated at 4.6% less than in the comparable 1941 period.

In connection with suggested tighter restrictions on newspaper appeals to the WPB for additional newsprint, the ANPA stated: "It was reported that the number of appeals from newspapers in the third quarter exceeds the number filed in either the first or second quarter."

For the first quarter the WPB granted newspapers 66,532 additional tons of newsprint and in the second quarter 57,962 tons. The total, 124,314 tons for six months, compared with the total newsprint consumption for the same period of 1,873,460 tons.

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We and our employees are appreciative of the manner in which all claims have been paid by you. Still more do we appreciate the fact that the personal effectiveness of our employees has been enhanced by the group coverage, which has, in part atleast, relieved them of some of the personal anxieties to which they otherwise would have been subject. We feel that you are definitely assisting employer and employee relations with your GROUP INSURANCE PLANS.

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Company Reports

British-Dominion

During the period from June 22, when the No. 5 well of British Dominion Oil came into production, to July 31, the company's 50% share in the gross production amounted to $20,085 less $608 in royalties to Atlas Investments, it is reported.

For the year ended March 31, 1943 and up until June 22, no oil was produced. Operating results for the four months ended July 31, 1943 show profits of $17,529, but before provision for production expenses, the accounts for which have not been submitted by Home Oil, who has a half interest in the well. Also omitted from these accounts are provision for depletion, development and income taxes.

Allowable production on No. 5 well is 950 bbls. a day, and the oil obtained brings a price of from $1.60 to $1.64 a bbl. British-Dominion wells Nos. 5 and 7 were spudded in on Aug. 25 and 14 respectively. It is expected that both wells will take about 6 months to complete.

The company's annual general meeting will be held in Toronto on Sept. 17. The company's annual earnings statement, and also its interim report, are shown below:

Earnings Statement—4 Months Ended July 31

	1943
Gross production*	$20,085
Less: Gross roy. to sub-lessor	608
Admin. & gen. exp.	1,948
Net earnings†	17,529
Add: Bond interest	188
Miscellaneous	18
Profit†	17,735

† Before, prov. for depletion, development, income taxes or prod. expense on No. 5 well. *Company's share.

Working capital	$16,840

Income, Surplus—Years Ended March 31

	1943	1942
Profit on sec's sale	$6,147	$10,200
Profit on equip. sale	71	2,565
Other income	673	1,385
Total revenue	6,891	14,150
Less: Ad. & gen. exp.	7,618	12,240
Depreciation	50	86
Interest	1,135	......
Loss for year	1,912	1,824
Add: Prev. deficit	73,426	75,171
Reserve adj.	481	......
Real. on assets	......	380
Less: Adjustment	......	281
Deficit forward	75,819	73,426

Barcelona Traction

Operations of Barcelona Traction, Light & Power for the year ended Dec. 31, 1942, show considerable improvement over 1941 with a net profit of $2,421,518, all of which, however, together with provision for interest on bonds payable in sterling, cannot be transferred from Spain and must, therefore, be carried in suspense. Net profit the previous year amounted to $1.3 millions.

In his report on the Spanish operating subsidiaries, F. Fraser Lawton, president and managing director of Ebro Irrigation & Power, said:

"Improved gross earnings have been mainly attributable to the return to almost normal of the textile industry, greater production in the metallurgical industry due to the impossibility of importing foreign material and machinery, creation of new industries and extension of those already existing favored by abnormal circumstances and new protective legislation, increased utilization of power for domestic purposes due largely to the shortage of gas and coal, increased consumption from traction and an increase of 89.2% over the previous year in supplies to other companies and resellers."

Mr. Lawton also pointed out:

"With the present load, the company has almost reached the limit of its hydraulic productive capacity and, owing to the fact that the Barcelona Steam Plants cannot be operated from lack of coal, any further appreciable increase in load could not be carried in years in which hydraulic conditions were not decidedly favorable."

Outstanding bonded indebtedness of the subsidiaries was reduced during the year by 6.7 million pesetas, making the amount now outstanding 148.9 million pesetas.

Although conditions have improved the company is still operating under most difficult conditions, with shortages of materials, labor and machinery "sharply accentuated." There is little prospect, according to R. H. Merry, secretary, of any immediate improvement in exchange conditions whereby funds might become available to investors.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Inc. from subsid.— accrued, not rec'd	$4,391,152	$2,862,249
Less: Gen. expenses	84,376	54,444
Legal & exec. exp.	62,675	76,020
Directors' fees	9,367	13,259
Diff. in exch.	435	53
Net revenue	4,234,299	2,718,473
Less: Bond int.:		
6½% prior lien*	776,607	776,607
5½% 1st mtge.*	233,098	233,098
6% 45-year	403,076	403,075
Conting. reserve	400,000	......
Net profit	2,421,518	1,305,693
Less: Prev. deficit	1,433,115	3,494,909
Int. expense	41,273	......
Add: Sundry credits	†538,033	‡756,101
Deficit forward	1,485,163	1,433,115
To suspense acc't	1,485,163	......

*Accrued, not paid. †Reduced reserve for subsid deficits, $331,645; reduced prev. for 1936-1939 int. on 6% issue. ‡Reduced reserve for subsid. deficits, $756,101.

Earned per share	$1.35	$0.73
Working capital	$350,866	▲$197,675

▲Excess of current liabilities over current assets.

Wendigo Reports $500,000 Cash

With $86,000 of plant and equipment sold, Wendigo Gold Mines now has cash assets totalling $500,000, President H. G. Young reports. An estimated $50,000 of assets remains to be sold and it is impossible to state how much they will realize, he declares.

Distribution of assets now available will be made following settlement of the company's taxation position. The taxation account with the Dominion Government is being studied and will be settled as soon as possible. Congestion of business in government offices makes any estimate of when a distribution will take place out of the question, it is reported.

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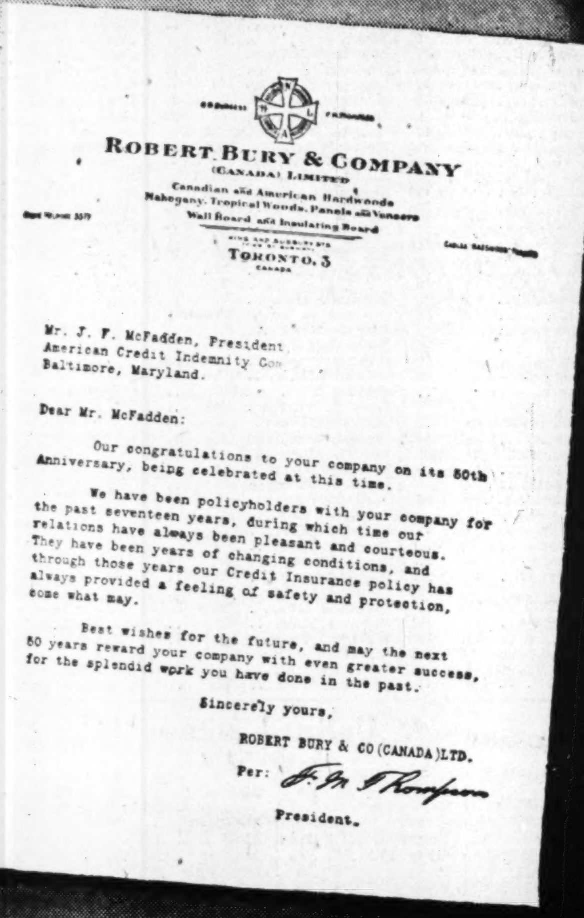

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Mr. J. F. McFadden, President
American Credit Indemnity Com
Baltimore, Maryland.

Dear Mr. McFadden:

Our congratulations to your company on its 50th Anniversary, being celebrated at this time.

We have been policyholders with your company for the past seventeen years, during which time our relations have always been pleasant and courteous. They have been years of changing conditions, and through those years our Credit Insurance policy has always provided a feeling of safety and protection, come what may.

Best wishes for the future, and may the next 50 years reward your company with even greater success, for the splendid work you have done in the past.

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Per: F. M. Thompson

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INCOME TAX

Widower's Tax Rate

Some time ago my wife died and I have no children or dependents. My income is about $6,000 from investments and including a government annuity of $600 taken out prior to June 25, 1940. On what income am I taxed?

Your normal tax will be computed at 9% of total income, less tax free government annuity of $600 or $5,400 net. The rate of normal tax is 9% because you are classed as a single man with income of more than $3,000. Your graduated tax would be calculated by taking the $6,000, deducting annuity of $600 and statutory allowance of $660 leaving net taxable income of $4,740.

Wife's Donations

A married woman has an income of her own of $700 a year. The income is entirely from her own money and is derived in no part from her husband. Out of the total, she gives 10% to charities leaving a net income of $630. Would she be liable for income tax? How would her husband stand?

As her income after deducting donations is less than $660, she would not be taxable. It is understood the husband would be entitled to the status of a married man as regards tax purposes.

Officer in Canada

I am a flying officer in the RCAF, in Canada, non-flying list, married with one child. My income this year, 1943, will be $2,437. I believe there is some ruling giving commissioned officers some credit as regards their income tax. What is this ruling and how does it apply in my case?

Members of the armed forces in Canada are exempt income tax if their duties normally have to be performed afloat or in aircraft. If not entitled to exemption on this account they get a special tax credit. The basic amount of this credit to a male member of the forces is the tax which would be payable on $1,600 if single with no dependents, or if married on $1,600 plus the marriage and dependents allowances he would receive if he held the highest rank of non-commissioned or warrant officer in the service to which he belongs. He cannot, however, claim credit for allowances for more than six children. This tax credit, known as the basic tax credit, has the effect of making income, up to the stated amounts, exempt from income tax. When the income exceeds these levels, the tax credit allowed is the basic credit indicated reduced by the proportion the excess income bears to $1,600 for a single man or $1,600 plus allowances for a married man. Female members of the forces get the same tax credit as male except that $1,200 is used instead of $1,600 in making calculations. The way it actually works out in your case is as follows:

Total income, including allowances, is $2,437. To find basic tax credit, take $1,600 plus separation allowance of $480, plus dependent child's allowance of $144. This makes a total exempt income of $2,224. If your income were just $2,224 you would have no tax to pay. But it is $2,437. So you first work out the total normal and graduated tax on $2,437 at regular rates. This comes to $514 of which $257 would be compulsory savings. Total tax on $2,224 is $421. This worked out in percentage is equal to a tax rate of 18.94%.

According to the ruling, the tax credit is the tax on $2,224 less the tax payable on the difference between the actual income (in your case $2,437), and $2,224. The difference between these amounts is $213. The tax on this at 18.94% is $40.36.

To find the tax credit, take the regular tax on $2,224 which is $421.36 and deduct from it the $40.36 above. This leaves $381.64. Now from the tax on the income of $2,437 which is $514 deduct the tax credit of $381. This leaves a tax payable of $133 of which 50% is compulsory savings.

Taxing Annuities

A friend of mine, who has a Dominion Government annuity of $1,200 a year, says that while this was formerly tax free, now, because of a change in the Income Tax Act in 1940, he must pay income tax on it. Is this correct? Should these annuities be taxed at all as they are largely a return of capital?

If your friend's annuity contract was entered into before June 25, 1940, it is tax free up to the full amount of $1,200; if entered into before May 26, 1932, it is tax free up to $5,000. All annuities taken out after June 25, 1940, however, are fully taxable. Taxing of these annuities, even with the exemptions of $1,200 and $5,000 on old contracts as indicated, is a cause of much dissatisfaction because a large part of the annuity payments is principal and should not usually be taxable. One suggestion is that all annuities should be tax free until the annuitant gets his principal back. Taxing remaining payments would be taxing income and, therefore, not so objectionable, provided the annuitant, when buying the annuity, knows it is subject in part to income tax.

INVESTMENTS

Great Lakes Paper

I would appreciate some information on the earnings and prospects of Great Lakes Paper Co.

The Great Lakes Paper Co. earned 60c. a share on its common stock in 1942, compared with 1941 net of 18c. and deficit earnings of 82c. a share for 1940. Allowing for the participating feature on the common stock, earnings on the classes A and B stock were $2.18 a share in 1941 and $2.60 in 1942. Larger operating profits were responsible for the higher net in 1942 but the larger operating profit was offset in part by the necessity of paying over $231,302.00 as an assessment for excess production.

Like other newsprint producers, the company is being adversely affected by newsprint rationing in United States and Canada, but it is hoped this may be completely offset by higher newsprint prices. Dividends on the classes A and B stock totalled $1.50 a share in 1942, the same as in 1941, but no dividends are currently being paid on the company's common shares.

Industrial Alcohol

Would you be kind enough to supply me with information on Canadian Industrial Alcohol, with reference to postwar possibilities?

Canadian Industrial Alcohol is a holding and operating company, engaged in the production of several well-known brands of liquor, and the production of a wide range of allied industrial products. The only producing subsidiary of the company is Robert McNish & Co., located in Scotland. Bulk of the profit of the company comes from its own 6 million gallon plant at Corbyville, Ont., and from another plant at Lindsay, Ont.

For the fiscal year ended Aug. 31, 1943, earnings of Canadian Industrial Alcohol were at the last report showing a decrease over earnings of the previous year. Net profits for the nine months ended May 31, 1943, amounted to $385,977 compared with $456,772 for the previous similar period. This however, was to be expected due to the suspension of production of whisky and other products of the company for civilian use.

Net profits for the year ended August 31, 1942, amounted to $554,861 or 50c. a share. Dividends paid during the fiscal year just past amounted to 35c. a share, compared with 25c. the previous year.

The company appears to be in a strong financial position, with a working capital of $4,563,776, and accumulated earned surplus at $1.7 millions. It has shown its ability to quickly adapt itself to production of alcohols from either molasses or wheat.

Standard Paving

Can you give me any information on the preferred stock of Standard Paving & Materials?

As a paving contractor, specializing in asphalt paving, and supplier of sand and gravel for all types of building and construction work, Standard Paving & Materials holds an established place in eastern Canada and the Maritime Provinces. As would be expected from the nature of its business, the profits of this company have shown a considerable variability, and during the depression years from 1933 to 1937, it operated at a loss.

In the year ended March 31, 1942, net profits of $75,005 were earned. This amounted to earnings of $1.50 a share of the preferred stock. In 1941, earnings per share on the preferred stock were $1.42 and in 1940 were 51c. The preferred stock is entitled to cumulative dividends of 62½c. a share per annum, non-cumulative dividends of 62½c. a share per annum and participation, share for share, with the common stock until a further amount of 62½c. has been paid on the deferred. Present arrears on the preferred stock amounts to 62½c. a share. Income taxes of $76,000 were paid in 1942.

Future earnings of this company would seem to depend on postwar conditions in the construction industry, and particularly in the building of highways.

Reanite Corp.

Could you please advise me on the standing of Reanite Corp.?

Early in 1943, shareholders approved the sale of the plant of Reanite Corp., located at Eastview, Ont. This and the manufacturing rights were sold to Chamberlain Engineering (Canada) for $100,000. Reanite Corp. retained the patent so its sole revenue will now come from royalties from Chamberlain Engineering in Canada and General Tire & Rubber in U.S.A.

During the fifteen months which ended Dec. 31, 1942, Reanite Corp. suffered a net loss of $10,807, which loss was attributed mainly to the company's undertaking the manufacture of gun clips. Close prices and preliminary experimental work were reported to have cut severely into profits. Some of the $100,000 was diverted to the payment of pressing debts. A limited working capital has been obtained, however, and creditors will be paid off at the rate of 6% every six months.

Aluminium Ltd.

Please let us have a brief comment on Aluminium Ltd., especially the trend of earnings and dividends.

Aluminium Ltd., through Canadian and other subsidiaries, is one of the most important aluminum operators in the world. Its principal activities centre in Canada, where production has been increased many fold since the outbreak of war. Previously earnings of the company had shown a consistent and substantial increase from year to year. In the last five years they have skyrocketed from $18.6 millions to $95.8 millions. For the current year they will be even higher. Reserves for taxes, depreciation, etc., have kept pace with the increase in earnings, so that the net amount available on the common stock has not been extraordinary, though still very substantial. Last year the common earned $19.35 a share. For the first six months of 1943 earnings totalled $7.05 a share, as against $8.38 for the like period of 1942.

The policy of the management, since incorporation of the company in 1928, has been to plow back a large share of earnings into property. An initial dividend of 25 cents a share, plus a stock dividend of 10%, was paid early in 1939. A further payment of $4 a share was paid later in the year. In 1940 the company put the stock on a regular dividend basis of $8 per annum and in 1941 and 1942 paid a bonus of $2 a share.

Dominion Square

Will you kindly outline for us the general position of Dominion Square Corp.? We understand this stock has not been traded in lately.

Dominion Square Corp.'s building of the same name is currently experiencing a high percentage of rentals and gross operating income for 1944 should be on a par with that for the year ended April 30, 1943, when the company reported $496,730. After providing for taxes, bond interest, depreciation, there was a net loss for the past year of $19,931.

There is a limited amount of trading in the common stock of Dominion Square Corp. For the current year, the stock, which is traded on the Montreal Curb Market, touched a low of 1.55 in February and a high of 3 in August. Currently it is selling at 2 7/8. During August, 70 shares of the stock were traded and for the first week of September, 90 shares.

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Then there are monthly returns to both the Department of Finance and to the Bank of Canada. The Minister may also call for special returns at any time.

All this in addition to the Bank Act's extensive regulations covering such phases of banking operation as reserve requirements, types of transactions permitted, interest rates and note issue.

These regulations are for the purpose of safeguarding your savings and guiding the operations of the banks as an essential element of our national life.

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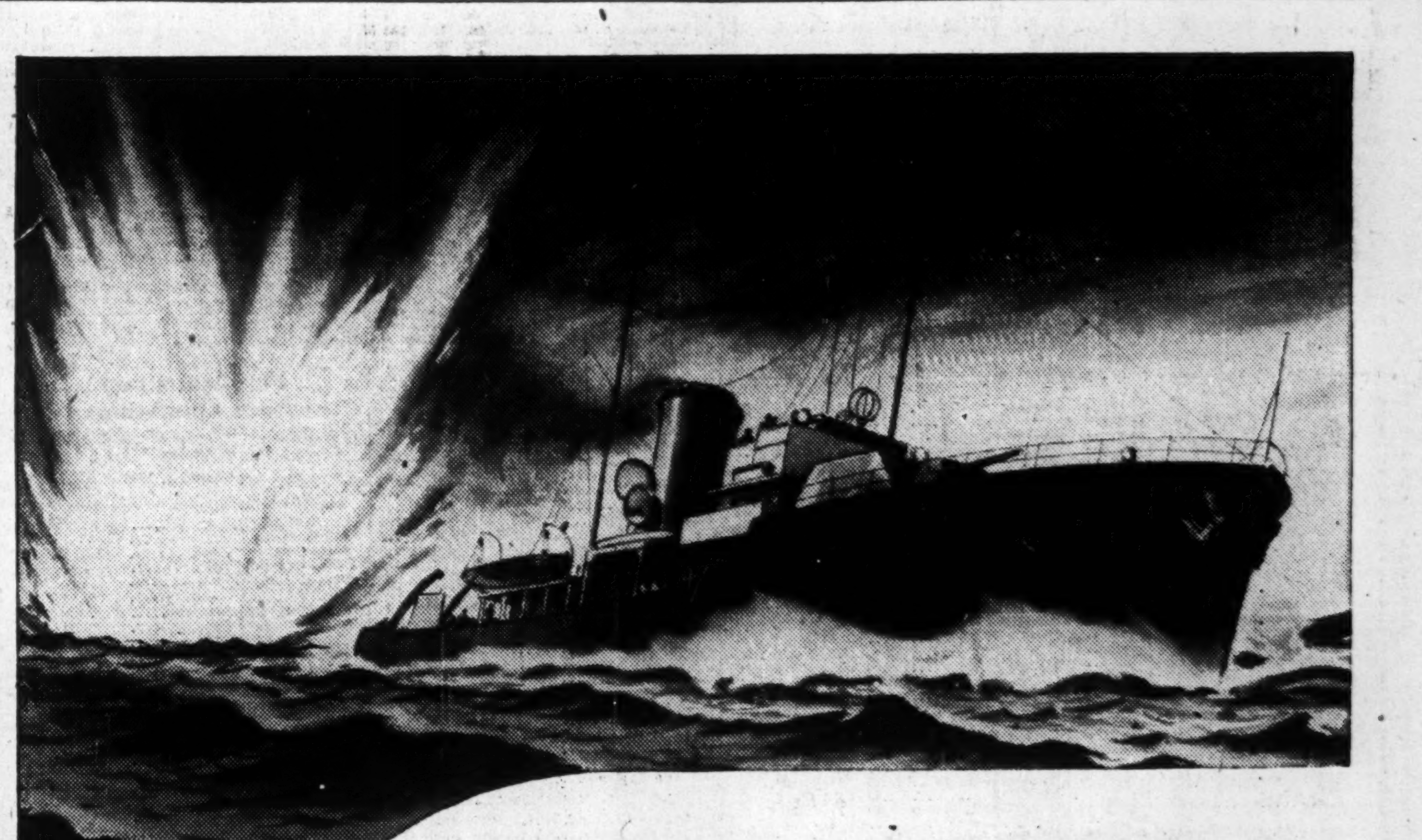

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Sept. 7, 1943

%	Due	Bid	Ask.
5	Oct. 1943	100	101
2	June 1944	100⅛	101⅛
1½	Sept. 1944	100	100⅜
4½	Oct. 1944	103¼	104¼
2½	Nov. 1944	101	102
4	Oct. 1945	100	100⅜
2	Mar. 1945	100⅜	101⅛
2	Dec. 1946	100	100⅜
4½	Feb. 1946	106½	107
2½	Mar. 1948	100	101
1½	May 1946	99⅜	100½
a2½	Jan. 1948	103¼	104¼
3½	June 1949	102⅞	103⅞
3½	Oct. 1949	101⅞	102⅞
a3	June 1951	102⅞	103⅞
3½	Nov. 1951	103¼	104¼
3½	Feb. 1952	104	105
3	Oct. 1952	101¼	102¼
4	Oct. 1952	106	107
a3	Jan. 1953	104⅞	105⅞
3	June 1955	100½	101½
a3	Nov. 1956	100½	101½
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107⅞	108⅞
a3	Mar. 1954	101¼	102¼
a3	Jan. 1958	104	105
3	June 1958	99⅜	100⅜
4½	Nov. 1958	108⅜	109⅜
4½	Nov. 1959	109½	110½
a4	Oct. 1960	110½	111½
a3½	Jan. 1961	106½	107½
3½	June 1966	102¼	103¼
a3e	Jan. 1967	103¼	104¼
a3e	Nov. 1968	103¼	104¼
†3	Perpetual	94⅜	95⅜
	Dominion Guarant'd Bonds		
	Can. Natl. Railways:		
2½	Jan. 1946	100⅜	101⅜
3	May 1944	100⅜	101⅜
3	Dec. 1950	101	102
3	Jan. 1959	99½	100½
•4½	Sept. 1951	124½	126
4½	Feb. 1956	128½	130½
•4½	July 1957	129⅜	131½
3	Feb. 1953	100½	101½
4½	June 1955	130½	132½
5	Feb. 1954	117½	119½
*5e	July 1969	118½	119⅜
*5e	Oct. 1969	129½	130⅜
*5e	Feb. 1970	129½	130⅜
	Can. Nat. W. Ind. S. S.:		
5	Mar. 1955	131⅜	132⅜
	Grand Trunk Pacific Rly.:		
3	Jan. 1962	110½	111⅜

Provincial Gov't Bonds

%	Due	Bid	Ask.
	New Brunswick:		
4	Nov. 1947	113	116
3	Oct. 1951	98½	100½
3½	Aug. 1949	100	102
3½	June 1956	100½	102½
4½	Apr. 1961	121	123
c5	Jan. 1960	127	129
	Nova Scotia:		
3	Jan. 1952	99½	101½
3½	June 1956	101	103
3½	Nov. 1950	102½	104⅜
c4½	Sept. 1952	117½	119⅜
c4½	Nov. 1960	124½	126½
c5	Mar. 1960	131	133
	Ontario:		
2½	May 1955	100	101½
3	Apr. 1948	100⅜	102½
3	Nov. 1950	99⅜	101⅜
3½	Nov. 1951	101	102½
3½	May 1956	101	102½
4	June 1962	124	126
4½	June 1950	108½	110½
•4½	Jan. 1962	130	132
5	Oct. 1948	109½	111½
•5	Dec. 1960	134½	137
•5½	July 1946	107½	108⅜
	Ont. Hydro Commission:		
3	Aug. 1948	100⅜	102½
3½	Feb. 1953	101	102½
3½	Apr. 1947	103	105
	Prince Edward Island:		
4	Mar. 1954	101	103½
	Quebec:		
3	Nov. 1947	100½	102½
3½	Mar. 1948	100⅜	102⅜
3½	Mar. 1959	*101	103
4	Nov. 1952	103	105½
3½	Feb. 1955	102½	104⅜
4½	Aug. 1958	107½	109½
4½	Jan. 1963	111⅜	113⅜
	Alberta:		
4½	Oct. 1956	82½	85½
4	Dec. 1954	80½	84½
•5	Oct. 1959	83	86½
c5½	Apr. 1952	84½	88½
6	Mar. 1947	85½	89½
	British Columbia:		
4	Dec. 1957	116½	119½
•4½	Jan. 1951	119½	122½
c4½	Oct. 1953	120½	123½
c5	Apr. 1954	123½	128½
5½	Feb. 1945	102½	105½
6	Feb. 1947	106½	109½
	Manitoba:		
c4	Dec. 1957	110½	113½
c4½	Dec. 1956	115½	118½
•5	Dec. 1959	120½	123½
5½	Oct. 1955	113	116
6	Apr. 1947	106½	109½
	Saskatchewan:		
4	Sept. 1954	89	93
4	Nov. 1960	88	92
c4½	Oct. 1951	101	104
c4½	Mar. 1960	97	100
5	Aug. 1948	98½	101½
5½	Oct. 1952	100	104
6	Mar. 1952	101	105

•-Payable Can., N.Y. & £. c-Payable Can. & N.Y. a-Payable N.Y. †Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ↓ Calculated to 1950 average maturity. ▪Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Sept. 7, 1943

Industrial:	Bid	Ask.
Andian National	25½	27
Anglo C. Tel. A.	8½	9½
Atlas Steels, c.	25½	27
Do., pref.	105	108
B. C. Pulp, c.	11	11⅜
Do., pfd.	65	75
Barrymore Cl., p.	46	..
B. C. Sugar	72	77
Do., com.	15½	..
Moirs, pfd.	40	..
Morrison Br. un.	..	16
Neilson, Wm., c.	10½	..
Do., p.	100	..
N. Meth. Ldy., p.	76	..
Ont. Tobacco, p.	15	20
Quinte Milk	2½	..
Prov. Paper, p.	100½	102½
Canada Life	330	..
Confed. 30% pd.	128	..
Continental L.	..	31
Crown Life	232½	..
Dominion Fire	135	..
D. of Can. Gen.	125	140
Dom. Life	176	..
Empire, 25% pd.	6	7½
Excelsior 40% pd.	73	..
Great-West Life	240	..

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Sept. 7	10,800	8,900	826,000	......
Sept. 6			Holiday	
Sept. 4	6,000	11,900	352,000	11,300
Sept. 3	9,800	9,200	358,000	28,350
Sept. 2	13,700	13,600	538,000	28,125
Sept. 1	14,500	27,200	606,000	7,895

Commodities

	Latest week	Previous week	Same week last yr.
Cattle*	$11.81	$11.80	$10.90
Hogs	16.80	16.81	16.00
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2104	.2113	.1960
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	1.10⅝	1.11¼	.89¾
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.9	102.8	98.9
Dow Jones (fut.)	93.11	93.21	84.73
Fishers	110.5	110.4	107.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Aug.)	119.2	118.8	117.7
W'sale (July)	100.1	99.5	96.0
U. S. (June)	103.8	104.1	98.6
Gt. Brit. (June)	163.1	163.3	159.8

Note:—The base of indices is that 1926 equals 100 †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee. Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Oil Royalties

Producing Wells — Prices and Payments

	Aug. daily quota bbls.§	Mar. 15 daily quota bbls.§	April pay. 1% $	May pay. 1% $	June pay. 1% $	Total to June 30 1% $	Offering price* per 1% $
Ace No. 1 gross	300	386	166.30	152.18	129.08	5,147.00	....
Alta. Oil Inc. No. 1 gr.	65	65	28.40	26.80	26.80	3,792.00	1,000
Do., No. 1 net	65	65	74.80	22.00	21.20	4,287.60	....
Do., No. 2 gr.	300	389	138.80	126.40	140.00	5,255.20	4,400
Do., No. 2 net	300	380	121.20	104.00	121.60	6,721.00	4,100
Allied No. 1 pfd.	93	93	35.05	36.80	38.88	1,749.77	1,400
Arrow No. 1 net	115	135	36.00	45.00	35.00	1,038.15	1,300
Do., No. 2 net	150	170	49.00	57.00	56.00	1,883.20	1,800
Atlas No. 1 net pfd.	80	...	....	‡136.40	39.20	......	1,400
Atlas-Br. D. No. 2 net	400	450	218.00	309.20	262.80	......	5,400
Atlas-Br. D. No. 3 pfd.	350	430	....	....	....	727.20	5,700
East Crest No. 5	115	115	37.20	66.00	63.60	......	1,900
Independent No. 1 pfd.	175	200	107.60	106.09	86.89	2,729.68	3,100
Do., No. 1 gr.	175	200	95.40	93.74	82.32	1,055.70	....
Major Oil No. 1 pfd.	50	95	140.40	30.00	40.00	1,882.60	....
Do., No. 1 gr.	50	95	48.40	38.80	37.60	5,476.80	....
Do., No. 2 net	330	350	138.00	154.80	137.20	7,084.20	4,400
Do., No. 2 gr.	330	350	156.00	171.60	156.60	7,658.80	5,600
Do., No. 3 net	450	588	252.00	242.40	228.40	......	7,600
Do., No. 3 gr.	450	588	264.00	253.60	244.80	......	....
Do., No. 4 pfd.	75	125	54.00	39.60	20.40	......	....
Do., No. 4 gr.	75	125	56.00	37.20	30.00	2,370.80	....
Do., No. 7 pfd.	350	500	298.40	287.20	272.80	......	7,300
Do., No. 7 gr.	350	...	....	208.80	198.40	......	....
Do., No. 7 dfd.	350	500	....	....	....	957.60	3,900
Do., No. 8 pfd.	190	225	99.60	108.80	107.20	1,360.40	3,100
Do., No. 8 gr.	190	225	80.40	84.80	89.20	......	3,300
Do., No. 8 dfd.	190	225	....	....	....	2,073.40	1,300
Do., No. 9 gr.	200	320	160.40	174.80	160.80	934.40	5,400
Do., No. 9 pfd.	200	320	184.80	196.40	173.60	......	4,800
Do., No. 9 dfd.	200	320	....	....	....	5,623.18	1,600
Miracle No. 1 net	320	300	79.15	110.51	104.18	5,661.41	3,200
Do., No. 1 gr.	320	300	113.40	153.37	142.41	......	5,000
Do., No. 2 pfd.	135	200	119.86	87.31	68.04	1,444.77	2,300
Do., No. 2 gr.	135	200	108.40	77.10	57.60	......	....
Miracle No. 3 pfd.	180	...	....	....	....	......	1,800
Do., No. 3 gr.	180	...	....	186.62	122.83	......	4,000
National Vulcan	150	...	....	....	....	......	2,600
Twin City No 2 gr.	180	...	....	86.04	93.10	......	....

* Approximately 25% over dealers' bid price. § Approximate ‡ April payments.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Shawinigan W.	*4%	1961	Oct. 1	103
Can. Breweries A	5½%	1946	Sept. 15	102
Do., ser. B	5%	1951	Sept. 15	100½
Do.	4½%	1945	Sept 15	102
Hamilton Cotton	4½%	1950	Nov. 1	101½
Springer Sturgeon	6%	1944	Sept. 30	101
Ottawa L. Pr.	3½%	1948	Oct. 1	101
Fam. Players† A	...	1951	Oct. 20	102
Do., (B)‡	...	1951	Oct. 20	102
Do., (C)‡	...	1951	Oct. 20	102

Wheat Prices

Winnipeg Grain Futures

Week of Sept. 6, 1943

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Sep. 6
		Wheat			
1.11½	1.07⅞	Oct.	1.09¾	1.08⅝	1.09⅛
1.09⅝	1.06¼	Dec.	1.08¾	1.07	1.07½
1.11⅛	1.06⅞	May	1.08⅞	1.06⅞	1.07½
		Oats*			
.51½	.51⅛	Oct.	.51½	.51½	.51½
.51½	.51⅛	Dec.	.51½	.51⅛	.51½
.51⅛	.51⅛	May	.51⅛	.51⅛	.51⅛

Cash Quotations

For Week

Wheat	Sept. 6, 1943 High	Low	Prev. Week High	Low
1 Nor.	1.11⅝	1.10⅝	1.11¾	1.10⅞
2 Nor.	1.06	1.05¼	1.06⅜	1.05½
3 Nor.	1.02⅜	1.01⅜	1.02	1.01⅜
4 Nor.	.99⅜	.97⅞	.97⅛	.96⅜
5 Wheat	.99⅛	.96⅛	.96⅜	.95⅞
6 Wheat	.98⅜	.96	.96⅜	.95⅛
Oats:				
2 C. W.	.51⅛	.51⅛	.51⅛	.51⅛

Dividends Declared

	This payment $	Date payable	Date of record
Alum. of Can., pfd.	1.25	Nov. 1	Oct. 1
Agnew Surpass, pf.	1.75	Oct. 1	Aug. 31
American Cyanamid	†.15	Oct. 1	Sept. 11
Do., pfd.	†.12½	Oct. 1	Sept. 11
Asbestos	.20+.10	Sept. 30	Sept. 1
Assoc. Brew.	.25	Sept. 30	Aug. 31
Do., pref.	1.75	Oct. 1	Aug. 31
Bell Telephone	2	Oct. 15	Sept. 23
Biltmore Hats	.15	Oct. 15	Sept. 30
Bralorne Mines	.20+.10	Oct. 15	Sept. 25
Blue Ribbon, pfd.	.62½	Nov. 1	Sept. 30
Brazilian Tr. pf.	1.50	Oct 1	Sept. 15
B.C. Elec. Pr. pf.	1.50	Oct. 1	Sept. 20
B.C. Power (A)	■.50	Oct. 15	Sept. 30
Bank of Nova Scotia	2.50	Oct. 1	Sept 15
Barber Ellis, c.	.12½	Sept. 15	Aug. 31
Bruck S. Mills	.10	Sept. 15	Aug. 13
Broulan Porc.	.03	Sept. 30	Aug. 31
Belding Cort.	1	Oct. 1	Aug. 31
Do., pref.	1.75	Oct. 1	Aug. 31
B. C. Packers	.75	Sept. 15	Aug. 31
Bright, T. G. pf.	1.50	Sept. 15	Aug. 31
Brit. Amer. Oil	.25	Oct. 1	Sept. 8
Building Prod.	.15	Oct. 1	Sept. 15
Burlington Steel	.15	Oct. 1	Sept. 10
Calgary & Ed.■	.05	Oct. 15	Sept. 11
Canada Cement, pf.	1.25	Sept. 20	Aug. 25
Can. Crush. Stone	.10	Sept. 15	Sept. 1
Can. Foundries A	.37½	Sept. 15	Sept. 1
Canada Malting	.50	Sept. 15	Aug. 16
Can. Nor. Power	■.15	Oct. 25	Sept. 20
Do., pref.	■1.75	Oct. 15	Sept. 20
Can. Perm. Mtge., c.	2.00	Oct. 1	Sept. 15
Can. W. & C. C.A.	1.00	Sept. 15	Aug. 31
Do., C.B.	.25	Sept. 15	Aug. 31
Do., pf.	1.62½	Sept. 15	Aug. 31
Canada Packers	1	Oct. 1	Sept. 1
Can. Steamships, c.	.50	Oct. 1	Sept. 1
Can. Canners	12½	Oct. 1	Sept. 15
Do., 1st pf.	.25+.05	Oct. 1	Sept. 15
Do., 2nd pf.	.15+.05	Oct. 1	Sept. 15
Canadian Car pf.	.52	Oct. 11	Sept. 21
Canadian Oil pfd.	2	Oct. 1	Sept. 20
Central Can. Loan	2	Oct. 1	Sept. 20
Canada Cycle	.30	Sept. 30	Sept. 10
Do., pref.	1.25	Sept. 30	Sept. 10
Can. Cottons	1.00	Oct. 1	Sept. 3
Do., pfd.	1.50	Oct. 1	Sept. 3
Can. Food Prod.	.50	Oct. 1	Sept. 15
Can. Industries	1.25	Oct. 30	Sept. 30
Do., 7% pf.	1.75	Oct. 30	Sept. 30
Can. Gen. Elec.	.2	Oct. 1	Sept. 13
Can. For. Invest. c.	■1.30	Nov. 1	Oct. 1
Can. For. Inv., pf.	■2	Oct. 1	Sept. 1
Can. Breweries, pf.	.85	Oct. 1	Aug. 16
Can. Westinghouse■	.50	Oct. 1	Sept. 15
Cel. of Amer., c.	.50	Sept. 30	Sept. 17
Do., prior pfd.	1.75	Oct. 1	Sept. 17
Do., 2nd pref.	1.75	Oct. 1	Sept. 17
Consumers' Gas	2	Oct. 1	Sept. 15
Central Patricia	.03	Sept. 30	Aug. 31
Can. Wire Box A	.37½	Oct. 1	Sept. 10
David & Frere A	.25	Sept. 30	Sept. 15
Dairy Corp.	1.25	Oct. 1	Sept. 15
de Havilland Aircraft, pref.	...		Sept. 15
Distillers Corp.	.55½	Sept. 15	Sept. 1
Do., pfd	†1.25	Nov. 1	Oct. 15
Dominion Stores	.10	Sept. 20	Aug. 25
Dominion Tar	1.37½	Nov. 1	Oct. 1
Dominion Textile	1.25	Oct. 1	Sept. 3
Do., pfd.	1.75	Oct. 15	Sept. 15
Dome Mines	■.40	Oct. 30	Sept. 30
Dom. Foundries, c.	.35	Oct. 1	Sept. 10
Dom. Glass	1.25	Oct. 15	Sept. 27
Do., pf.	1.75	Oct. 15	Sept. 27
Eng. Electric	.25	Sept. 15	Aug. 31
Economic Invest., c.	.62½	Oct. 1	Sept. 1
Fanny Farmer, c.	†.37½	Oct. 1	Sept. 11
Federal Pet., c.	.01½	Sept. 28	Aug. 31
Ford of Can. c. A, B	.25	Sept. 18	Aug. 28
Four Star Pete., c.	.01	Sept. 28	Aug. 31
Famous Players	.25	Oct. 1	Sept. 15
Foundation Co.	.35	Oct. 22	Sept. 30
Freiman, A.J., pf.	1.50	Oct. 1	Sept. 15
Gatineau Power	.15	Sept. 30	Sept. 1
Do., 5% pfd.	1.25	Oct. 1	Sept. 1
Do., 5½% pfd.	1.37	Oct. 1	Sept. 1
Gen. St. Wares c.	.25	Sept. 20	Aug. 23
Gt. West. Sadd. pf.	.75	Oct. 5	Sept. 4
Do., 2nd pref.	.75	Oct. 5	Sept. 4
Gt. L. Paper A B p.	.25	Oct. 1	Sept. 1
Greening Wire	.15	Oct. 1	Sept. 1
Ham. Cotton, pfd.	.50	Oct. 1	Sept. 15
Ham. Un. Theat., p.	1.25	Sept. 30	Sept. 15
Hollinger, c.	.05	Sept. 9	Aug. 26
Hinde & Dauch	.25	Oct. 1	Sept. 4
Holt Renfrew pf.	3.50	Sept. 15	Sept 1
Humberstone Shoe	.75	Oct. 7	Sept. 15
Huron & E. Mtge.	1%	Oct. 1	Sept. 15
Imperial Tob.	.10	Sept. 30	Sept. 14
Do., pf.	3%	Sept. 30	Sept. 14
Inter City Bak. c	.75	Sept. 30	Sept. 14
Inter. Bronze	.20	Oct. 15	Sept. 15
Do., pf.	.37½	Oct. 15	Sept. 15
Intern. Metal A	.25	Oct. 1	Sept. 15
Do., pref. A pf.	1.50	Nov. 1	Oct. 15
Intern. Power pf.	1.75	Oct. 1	Sept. 10
Inter. Nickel, com.	†.50	Sept. 30	Aug. 31
Invest. Found.	.75	Oct. 15	Sept. 15
Indust. Accept. pf.	1.25	Sept. 30	Sept. 1
Jam. Pub. Serv.	.17	Oct. 1	Aug. 31
Do., pfd.	▲1.75	Oct. 1	Aug. 31
Lake Shore Mines	.20	Sept. 15	Aug. 16
Lamaque Gold	.10+.10	Oct. 1	Aug. 31
Langley's pref.	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Landed Banking	1	Oct. 1	Sept. 15
Lang, J. A. & Sons	.17½	Oct. 1	Sept. 10
Marcus Loews, p.	1.75	Sept. 30	Sept. 15
Macassa	.06	Sept. 15	Aug. 31
Maritime Tele.	.17½	Oct. 15	Sept. 20
Do., pf.	.17½	Oct. 15	Sept. 20
Mackinnon S., pfd.	1.25	Sept. 15	Aug. 31
McColl-Fron. pfd.	1.50	Oct. 15	Sept. 30
Mackinnon S., p/d	1.25	Sept. 15	Aug. 31
McKenzie R. L.	.02½	Sept. 17	Sept. 1
Modern Contain.	.30	Oct. 1	Sept. 20
Do., pref.	1.37½	Oct. 1	Sept. 20
Montreal Loan	.31¼	Sept. 15	Aug. 31
Massey Harris pfd	.62½	Sept. 15	Aug. 14
Moore Corp.	.55½	Oct. 1	Sept. 8
Do., A. B. pref.	†1.75	Oct. 1	Sept. 8
Mont. Cottons 7% p.	1.75	Sept. 15	Aug. 16
Mont. Cottons, c.,	1.00	Sept. 15	Aug. 16
Murphy Paint	.20	Oct. 1.	Sept. 10
Do., pref.	1.37½	Oct. 1	Sept. 10
National Grocers, p.	.37½	Oct. 1	Sept. 1
National Trust	2	Oct. 1	Sept. 15
National Brew.	.50	Oct. 1	Sept. 3
Do., pref.	.44	Oct. 1	Sept. 3
Nat. Steel Car.	1	Oct. 15	Sept. 15
Niagara W. Weav.	.25	Oct. 1	Sept. 8
Nor. Ont. Power	.12	Oct. 25	Sept. 30
Do., pref.	1.50	Oct. 25	Sept. 30
North Star Oil, pd.	.08¾	Oct. 1	Sept. 15
Noranda Mines	1	Sept. 15	Aug. 13
N. S. L. & Pwr. ord.	1.50	Oct. 1	Sept. 15
Ogilvie Flour	.25	Oct. 1	Aug. 30
Ontario Loan	1.25	Oct. 1	Sept. 15
Ont. Steel Prod.	.25	Nov. 15	Oct. 15
Do., pref.	1.75	Nov. 15	Oct. 15
Ottawa Elec. Rly.	.50	Oct. 1	Sept. 1
Ottawa L. Pr.	.15	Oct. 1	July 9
Do., pref.	1.25	Oct. 1	July 9
Page-Hersey, c.	1.25	Oct. 1	Sept. 15
Paton Manfg Co.	1	Sept. 15	Aug. 31
Do., pref.	1.75	Sept. 15	Aug. 31
Perron Gold	■.02	Sept. 30	Aug. 31
Photo Engravers, c.	.25	Oct. 1	Sept. 15
Pressed Metals	†.25	Oct. 1	Sept. 1
Preston E. D., c.	.05	Oct. 15	Sept. 15
Price Bros., pf.	1.37½	Oct. 1	Aug. 30
Power Corp., pfd.	■1.50	Oct. 15	Sept. 20
Do., 2nd pfd.	■.75	Oct. 15	Sept. 20
Porto Rico Pr., pf.	1.75	Oct. 1	Sept. 10
Premier Gold	.01½	Oct. 15	Sept. 15
Regent Knit. c.	.25	Oct. 15	Sept. 15
Do., pref.	.40	Dec. 1	Nov. 2
Reliance Grain, p.	1.62½	Sept. 15	Aug. 31
Royal Crest., c.	.01	Sept. 28	Aug. 31
Russell Ind.	.20	Sept. 30	Sept. 10
Do., pref.	1.75	Sept. 30	Sept. 10
Sher. Williams	.15	Nov. 1	Oct. 10
Do., pref.	1.75	Oct. 1	Sept. 10
Sheep Creek G.	.03	Oct. 15	Sept. 30
Siscoe Gold	.01½	Sept. 15	Aug. 12
Silverwood D.	.20	Oct. 1	Aug. 31
Do., pref.	.20	Oct. 1	Aug. 31
South Can. Pwr. pd.	■1.50	Oct. 15	Sept. 20
Stand. Fuel, pfd.	1	Oct. 1	Sept. 15
Do., arrears	1	Oct. 1	Sept. 15
Stedman	.15	Oct. 1	Sept. 20
Do., pf.	.75	Oct. 1	Sept. 20
Smith H. Paper, pf.	1.50	Oct. 20	Sept. 30
Simon & Sons	.15	Sept. 30	Sept. 8
Do., pref.	1.75	Sept. 30	Sept. 8
Sunset Oils	■.01	Sept. 15	Sept. 1
Sylvanite, c.	.03	Oct. 15	Sept. 1
Tamblyn, G.,	.20	Oct. 1	Sept. 10
Do., pref.	.62½	Oct. 1	Sept. 10
Teck-Hughes Gold	■.10	Oct. 1	Aug. 31
Tip Top Tailors	.07½	Oct. 1	Sept. 1
Do., pfd.	1.75	Oct. 1	Sept. 1
Tor. Gen. Trusts	1	Oct. 1	Sept. 10
Toronto Mortgage	1.25	Oct. 1	Sept. 15
United Fuel A	.75	Oct. 1	Sept. 10
Vulcan-Brown, c.	.01	Sept. 28	Aug. 31
Waite Amulet	.20	Sept. 10	Aug. 10
Wr.-Hargreaves	.07½	Oct. 1	Aug. 26
Walker H. Good	1	Sept. 15	Aug. 13
Do., pref.	.25	Sept. 15	Aug. 13
Weston Geo., c.	.20	Oct. 1	Sept. 4
Wilsil.	.25	Oct. 1	Sept. 1
West. Grocers	.75	Oct. 15	Sept. 15
Do., pref.	1.75	Oct. 15	Sept. 15

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board.
▲Subject to Jamaican Inc. Tax (30%).

NOTICE

Biltmore Hats Limited

Notice is hereby given that a dividend of Fifteen cents per share on the outstanding Common Shares of the Company will be payable on the 15th day of October, 1943, to shareholders of record on the 30th day of September, 1943, at 3 p.m.

By Order of the Board.

(Signed) WM. F. FRANKE, Secretary-treasurer.

Guelph, Ontario, September 2nd, 1943.

DIVIDEND NOTICES

The B. Greening Wire Company Limited

Common Dividend No. 24

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company, Limited, held in the office of the Company on August 30th, 1943, a dividend of Fifteen cents per share on the Common Shares of the Company was declared payable October 1st, 1943 to shareholders of record September 1st, 1943.

F. J. MAW, Secretary.

Hamilton, Ont., August 31st, 1943.

DIVIDEND NOTICE

The British American Oil Company Limited

NOTICE is hereby given that a dividend of Twenty-Five Cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the third quarter ending September 30th, 1943. The above dividend is payable in Canadian funds, October 1st, 1943, to shareholders of record at the close of business on the 8th day of September, 1943.

H. H. BRONSDON, Secretary.

Dated at Toronto, September 2nd, 1943.

Blue Ribbon Corporation Limited

Notice is hereby given that a dividend of sixty-two and a half cents (62½) per share on the Preferred Shares of the Company has been declared payable on and after the first day of November, 1943, to holders of record at the close of business on the 30th day of September, 1943.

DATED AT TORONTO this 1st day of September, 1943.

D. W. LAVERTY, Secretary-treasurer.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Stock Dividend No. 63

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share being at the rate of 6 per cent. per annum has been declared on the 6% Cumulative Preferred Stock of McColl-Frontenac Oil Company Limited for the quarter ending September 30th, 1943, payable October 15th, 1943, to shareholders of record at the close of business September 30th, 1943.

By Order of the Board, FRED HUNT, Secretary.

September 1st, 1943.

Sheep Creek Gold Mines Limited

(Non-Personal Liability)

Notice of Dividend No. 30

Notice is hereby given that a Quarterly Dividend of three cents per share has been declared on the paid-up Capital Stock of the Company, payable on the 15th day of October, 1943, to shareholders of record at the close of business on the 30th day of September, 1943.

Persons holding certificates not registered in their name, commonly known as "street" certificates, should have them registered in their name by the Company's transfer agents, Prudential Trust Company Limited, at their office, 475 Howe Street, Vancouver, B.C., or at their office, 217 Bay Street, Toronto, Ontario, on or before 30th September next.

By Order of the Board.

JAMES ANDERSON, Secretary.

Vancouver, B.C., August 31, 1943.

Western Grocers Limited

NOTICE OF DIVIDENDS

Notice is hereby given that the following dividends have been declared:

On the Preference Shares 1¾% ($1.75) for the current quarter;

On the Common Shares, 75c per share;

Payable October 15th, 1943, to shareholders of record September 15th, 1943.

By Order of the Board.

W. P. RILEY, President.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the Current Quarter, and that the same will be payable on and after

1st October, 1943,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board, WALTER GILLESPIE, Manager.

2nd September, 1943.

The Sherwin - Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-ninth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending August 31, 1943, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 10th day of September, 1943, and that cheques will be mailed October 1, 1943.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH, Secretary-Treasurer.

Montreal, Que. September 1, 1943.

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 61

NOTICE is hereby given that a dividend of Fifty cents (50c) per Share on Class "A" Shares has been declared for the three months ending September 30th, 1943, payable by cheque dated October 15th, 1943, to shareholders as of record at the close of business on September 30th, 1943. Such cheques will be mailed on October 14th, 1943, by the Montreal Trust Company from Vancouver.

By Order of the Board,

J. A. BRICE, Secretary.

Vancouver, B.C. September 3rd, 1943.

Winnipeg Wheat Markets

Harvesting Well Under Way

Tentative Estimate of Crop Yield 300 Million Bushels

From Our Own Correspondent

WINNIPEG. — Ideal weather for maturing the crop, and for harvesting and threshing has prevailed in the prairie area the past few weeks. Where the crop has been ready to cut harvest work is well advanced. Elsewhere grain seems to be filling well, and prospects appear to be better than formerly expected. On the whole, most observers put the total of grain production rather higher than they would have done a short time ago. At one time 275 million bu. was regarded as rather a high estimate for total wheat production on the small acreage of less than 17 million acres which is put into wheat. Now, although they will not allow themselves to be quoted, some cautious observers admit that the crop may yield over 300 million bushels.

GRAIN MERCHANT

R. R. Emerson, prominent Winnipeg grain man, who was elected president of The North-West Line Elevators Association at a meeting held recently in Winnipeg.

Where cutting has been done farmers have been getting well ahead with their work. The weather has done more to relieve labor shortage than all the combined plans for supplying extra harvest help. Uninterrupted work for a week by all the farmers of the West, with their machinery going at capacity, could not be equalled in many weeks by all the extra labor that might be brought to the task. Moreover, the total amount of work to be done is greatly lightened by favorable weather.

Less Stooking

On thousands of acres farmers this year have planned to get along without stooking, letting their sheaves dry flat on the ground, and taking them direct to the threshing machine when picked up. Sheaves thus handled will withstand a shower, or several showers, but a prolonged spell of wet weather would call for stooking. In many districts farmers have been able to keep their combine threshers at work for longer hours than was the case last year. Absence of heavy dews enabled work to be started early in the morning.

Widespread showers toward the middle of this week interrupted the program of harvest work to a considerable extent, but farmers are hoping that the interruption will be brief.

Slows Labor Demand

The weather has slowed down the immediate demand for harvest labor, but the loss of time now will intensify labor difficulties later. Farmers south of the border, where the spring wheat crop is unusually heavy, and where high prices enable them to pay high wages, have been attempting to recruit harvest labor in western Canada. Frost has done some damage to grain over a considerable part of Alberta, where crops have been ripening only slowly. But until the grain is cut and some of it threshed, it will be difficult to determine how badly grades may have been affected.

Current Crop Price Lists

The Canadian Wheat Board has issued its price lists for the current crop year for initial payments on wheat delivered to it. Prices are based on 90c. a bu., for No. 1 Northern in store at lakehead or Vancouver terminals, with discounts for lower grades, and allowance for freight rates from country points. At the moment those lists may be considered as only formal documents, as farmers are not delivering to the Wheat Board, but are choosing instead to sell at the considerably higher prices obtainable on the local market.

October Premium Narrows

For some time past a fairly tight position has prevailed in the October future, in comparison with which the May future has been selling at a discount, instead of at the customary spread, affording a carrying charge. Transportation difficulties in getting wheat forwarded and unloaded into terminal elevators, coupled with keen demand for wheat being accumulated for shipment down the lakes, had led to some questioning as to whether enough wheat would be put into shipping position to satisfy all demands during the remainder of the season of lake navigation. The October premium, however, has been narrowing during the past few days, quite possibly as the result of an accelerated rate of wheat loadings in the country. General opinion appears to be that the situation is becoming easier. Fairly substantial shipments from the lakehead were accomplished last week. Wheat shipments amounted to 5.4 million bu., barley to 1.1 million bu. and oats to 2.7 million bu.

Progress in Shipping Feed

Good progress is being made in booking wheat to be shipped from western Canada to mountain and Pacific coast states south of the border to be used for feeding purposes. While buying is being done through ordinary commercial channels, it is understood that purchases are for account of the Commodity Credit Corp. of the United States, which is able to offer the wheat in question for sale without having to take tariff duties into account. No. 3 Northern is the grade in demand. Some of this wheat will move by water from terminal elevators in Vancouver, but a large part will go all rail from point of origin to destination. The movement now in progress is expected to amount to 25 million bu., but dealers seem to anticipate that further business with the U. S. will develop as soon as the immediate program has been carried out.

N-W Line Elevators Elects Officers

R. R. Emerson, newly elected president of The North-West Line Elevators Association, is vice-president and general manager of National Grain Co., and a director of Grain Insurance & Guarantee Co. and Pacific Elevators, and a Councillor of the Winnipeg Grain Exchange. The Association which he now heads comprises owners and operators of 3,400 country grain elevators located throughout the prairie provinces, and terminal elevators at the head of the Great Lakes and on the Pacific Coast, with a total storage capacity of approximately 274 million bushels. The Association was organized in 1899.

Complete list of officers and directors elected for the current year follows:

R. R. EMERSON, Winnipeg, president National Grain Co., president.

C. C. HEAD, general manager N. M. Paterson & Co.; S. D. MacEACHERN, Winnipeg, manager Alberta Pacific Grain, vice-presidents.

C. E. AUSTIN, general manager McCabe Bros. Grain Co.; G. F. COPELAND, assistant manager Reliance Grain Co.; W. J. DOWLER, secretary-treasurer Parrish & Heimbecker; J. M. GILCHRIST, vice-president Searle Grain Co.; W. A. HASTINGS, manager Lake of the Woods Milling Co.; C. E. HAYLES, president Canadian Consolidated Grain Co.; WM. McG. RAIT, president Pioneer Grain Co.; A. C. REID, president Western Grain Co.; V. W. TRYON, manager Federal Grain, directors.

J. G. FRASER, secretary-manager; JAMES SEATON, assistant secretary; DR. K. W. NEATBY, director agricultural department; CECIL LAMONT, executive vice-president.

West's Irrigation Plans To Cost $111 Millions

(Continued from page 9)

be necessary to raise the level of the water to a sufficient height so that it could be carried by gravity to Sullivan lake.

Buffalo Lake Potential

Buffalo lake, located above the elbow where the Red Deer river turns south, is the key for the combined power and irrigation plan. It would likewise be fed by water from the North Saskatchewan and Clearwater rivers. A dam across the Red Deer river below Tail creek, the outlet to Buffalo lake, would back water up the Red Deer river and also up Tail creek, thereby creating an immense capacity to store not only the ordinary flows of these streams but the peak flows and winter discharge as well. Buffalo lake storage capacity is estimated at between 1,300,000 and 1,700,000 acre feet.

The Buffalo lake plan could be developed quite independently of Sullivan lake, as a power scheme, or, through development of power and installation of a pumping system, could be used to supply water to Sullivan lake for irrigation.

Smaller Projects

As for the smaller Saskatchewan projects, there are two of them which could be completed at once—the Notukeu-Vanguard and the Swift Current plans, under which 29,000 acres of land would be irrigated at a cost of $1,660,000.

The Swift Current project is partly completed, about $500,000 having been spent on it already. Total cost is estimated at $1.5 millions.

There are four main areas it is planned to irrigate—900 acres directly east of Swift Current; 2,800 acres in the Waldeck district; 7,800 in the Rush Creek and Rush Lake vicinity; 8,900 around Herbert and, in a swing to the south, 4,000 acres in a narrow strip between Neidpath and Hodgeville.

Of the second group of projects, practically ready for construction, five are in Saskatchewan—Avonlea-Rouleau, Bear Creek, Prince Albert dam, Souris river and Wascana creek. They would cost around $1.1 millions and would irrigate about 17,400 acres of land.

Prince Albert Dam

Prince Albert dam would cost about $400,000. This is not an irrigation project, but would create a body of water extensive enough to serve as a landing place for planes from the north.

The Souris river project would irrigate approximately 3,000 acres at a cost of about $120,000. It would also be used for stock-watering and water supply purposes.

The Wascana creek water development plan envisages a dam at Sedley, with a storage capacity of about 2,100 acre feet and at a cost of about $51,359.

North Saskatchewan

In Group Three of the PFRA program, those projects upon which preliminary investigations have been conducted, the North Saskatchewan storage development plan and the South Saskatchewan river pumping project stand out.

At the head waters of the North Saskatchewan, the Clearwater and the Red Deer rivers 25 reservoir sites have been surveyed. Total cost of building these reservoirs would be $23.9 millions. They would provide a storage capacity of 2,553,266 acre feet.

Under the South Saskatchewan river pumping project some 10,000 acres of irrigable flats along the river between Medicine Hat and Saskatoon could be developed, at a cost of some $100,000.

In the fourth group are those projects which have not yet been surveyed but which, from reconnaissance already carried out, are known to be feasible. The projects in Saskatchewan would cost about $14.8 millions. They include the North Saskatchewan pump irrigation project, similar to the one planned on the South Saskatchewan, the South Saskatchewan-Thunder creek development, and the Assiniboine river scheme, which would include areas in Manitoba.

DIVIDEND NOTICES

BRITISH COLUMBIA PACKERS LIMITED

Second Notice

TO THE BONDHOLDERS OF THE FIRST MORTGAGE BONDS OF BRITISH COLUMBIA PACKERS LIMITED

NOTICE of the intention of British Columbia Packers Limited to redeem on July 15th, 1943, all its First Mortgage Bonds was duly given in accordance with the provisions in that behalf contained in the Deed of Trust and Mortgage dated as of December 1st, 1938, in favour of The London & Western Trusts Company Limited securing said Bonds.

Some of the holders of the said Bonds have not yet surrendered them for redemption. As this is probably due to the notice of redemption having escaped their notice this further notice is given to advise that all this Company's First Mortgage Bonds have been duly called for redemption at the redemption price, that is to say, in the case of the 4½% Series "A" Bonds at One hundred and One per centum (101%) of the principal amount and in the case of the 5% Series "A" Bonds at One hundred and Four per centum (104%) of the principal amount together in each case with interest on the said principal amount accrued and unpaid to the redemption date, namely July 15th, 1943, at any of the places where the principal of the said Bonds is by the terms thereof made payable, namely at the option of the holder, at any branch in Canada (Yukon Territory excepted) of The Canadian Bank of Commerce or The Bank of Nova Scotia.

All bondholders who have not yet surrendered their Bonds for redemption should do so without delay as interest ceased to accrue thereon from and after July 15th, 1943.

DATED at Vancouver, B.C., this Thirtieth day of August, 1943.

BRITISH COLUMBIA PACKERS LIMITED, per A. HAMILTON, Secretary.

Canadian Celanese Limited

1401 McGill College Avenue, MONTREAL, P.Q., CANADA

September 7, 1943.

The Board of Directors has this day declared the following Dividends:

Seven Per Cent Cumulative Participating Preferred Stock

One Dollar Seventy-five Cents ($1.75) per share, which shall be deemed to be for the three months period from July 1, 1943, to September 30, 1943, payable September 30, 1943, to holders of record at the close of business September 17, 1943.

Common Stock

Twenty-five Cents (25c) per share in respect of the third quarter of 1943; and, in addition, an extra dividend of Twenty-five Cents (25c) per share, payable September 30, 1943, to holders of record at the close of business September 17, 1943.

H. BLANCKE, Secretary.

BRALORNE MINES LIMITED

(Non-Personal Liability)

DIVIDEND NO. 36

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of October, 1943, to shareholders of record as of September 25th, 1943.

By Order of the Board.

RONALD GRACE, Secretary-Treasurer.

Vancouver, B.C. September 2, 1943.

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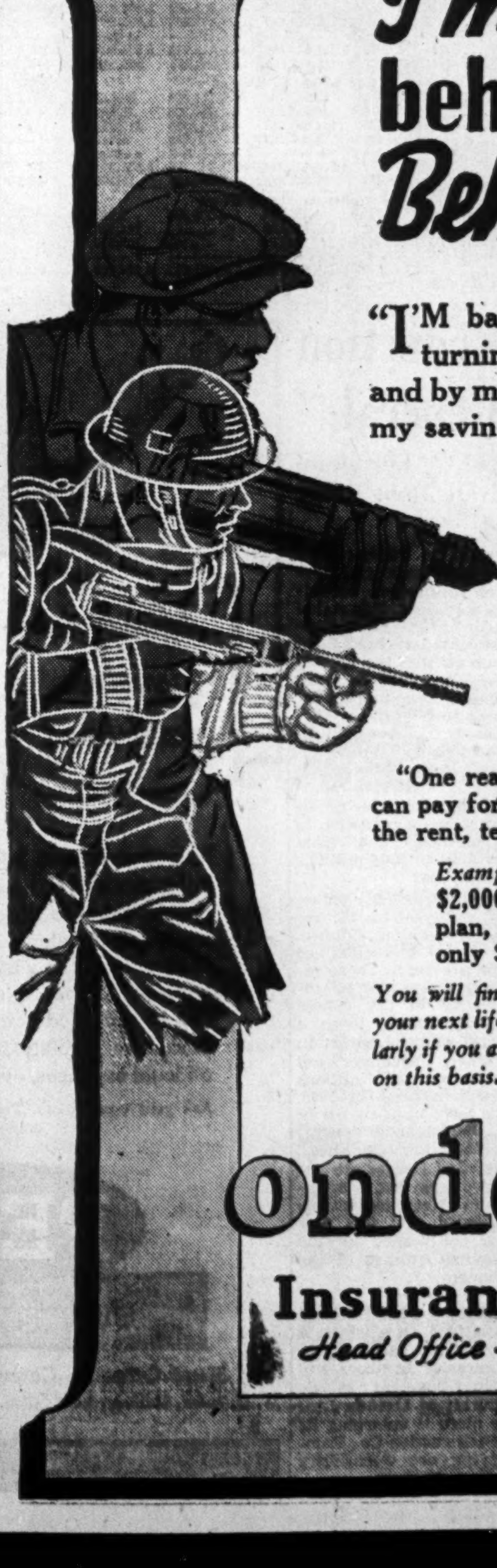

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Banking

Commercial Loans Drop As Bond Payments Rise

Crown Companies No Longer Being Financed Through Government, Draw on Own Demand Deposits

With many individuals and corporations repaying money previously borrowed to buy Victory bonds, current loans of the chartered banks in Canada declined during July. The total shown in the return of the banks to the Minister of Finance as at July 31 was $1,133 millions, a drop of $14 millions from the previous month and about $20 millions from the end of May, the month in which most of the payments on Victory Loan purchases were made. Life insurance companies were named as making large repayments to the banks during the month.

Government Companies

On the liability side, a drop in demand deposits appeared to be the result of a recent change in the financing methods of various government companies. Previously these were financed in advance by the government. Now the companies finance themselves through the banks. Many of them had substantial demand deposits and, it is believed, are using these, with a consequent reduction in the total.

In addition to the repayment of loans made to investors, the volume of ordinary commercial borrowing was also restricted. Normally commercial loans of the banks tend to decline in July, due to merchants and manufacturers liquidating their stocks and reducing their need for bank credit. In wartime with ordinary business operations curtailed this tendency is even more evident. Compared with the previous year, current loans were up $116.4 millions.

Call Loans Improve

Call loans in Canada were lower for the month but higher than a year ago. As activity and strength of the stock markets were well maintained during the month, the decline is probably due to some technical adjustment in borrowers' accounts, possibly in connection with the Victory Loan.

Borrowing by the provinces and municipalities continued to decline and the net result was that total loans in Canada were down almost $26 millions. Loans abroad also were lighter.

Savings deposits were higher, reflecting replacement of funds used by previous investors to buy Victory bonds.

Important figures in the return with comparisons with the previous month and last year are shown in the following table.

Use of Bank Credit
(In Millions of Dollars)

	July 1943	June 1943	Change	July 1942	Change
Loans	1,230.1	1,255.9	—25.8	1,122.2	+107.9
Investments	2,652.2	2,687.2	—35.0	1,957.9	+694.3
Total	3,882.3	3,943.1	—60.8	3,080.1	+802.2
Deposits	3,301.8	3,321.1	—19.3	3,005.2	+296.6
Credit index*	35.4%	35.8%	—0.4%	34.7%	+0.7%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	July 1943 $	June 1943 $	Change $	July 1942 $	Change $
Immediately Available Liquid Assets					
Canadian coin	6,484,448	6,785,793	—301,345	6,769,343	—284,895
Bk. of Can. notes	104,895,549	113,394,098	—8,498,549	90,489,102	+14,406,447
Bk. of Can. depos.	294,973,138	301,113,488	—6,140,350	271,640,204	+23,332,934
Bank's cash	406,353,135	421,293,379	—14,940,244	368,898,649	+37,454,486
Other bank's notes	1,008,635	1,186,226	—177,591	1,946,768	—938,133
Gold sub. coin abd.	2,777,443	2,869,443	—92,000	2,784,790	—7,347
Foreign banks	189,170,509	203,771,832	—14,601,323	184,018,016	+5,152,493
Foreign currency	79,714,739	65,463,901	+14,250,838	43,497,855	+36,216,884
Gov. sec. sht. term	1,559,271,341	1,566,211,254	—6,939,913	852,465,874	+706,805,467
Do., long term	792,603,409	805,355,532	—12,752,123	829,867,778	—37,264,369
Call loans abroad	66,428,998	66,752,347	—323,349	52,899,885	+13,529,113
	3,097,328,209	3,132,903,914	—35,575,705	2,336,379,615	+760,948,594
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	65,242,620	66,037,053	—794,433	76,847,469	—11,604,849
Public secs.†	158,415,136	170,818,219	—12,403,083	118,280,228	+40,134,908
Other secs.	76,691,311	78,801,244	—2,109,933	80,438,829	—3,747,518
Can. call loans	36,388,804	41,616,678	—5,227,874	26,151,749	+10,237,055
Current loans	1,133,154,482	1,147,522,832	—14,368,350	1,016,658,023	+116,496,459
Loans abroad	100,052,077	103,407,408	—3,355,331	126,759,255	—26,707,178
Prov. loans	5,564,575	6,597,776	—1,033,201	3,716,162	+1,848,413
Mun. loans	54,984,537	60,233,868	—5,249,331	75,620,207	—20,635,670
	1,630,493,542	1,675,035,078	—44,541,536	1,524,471,922	+106,021,620
Other Assets					
Non-current loans	2,854,632	2,863,774	—9,142	4,128,547	—1,273,915
Real estate	4,923,890	5,004,465	—80,575	5,984,661	—1,060,771
Mortgages	3,131,459	3,143,716	—12,257	3,481,947	—350,488
Premises	67,101,549	67,089,046	+12,503	69,431,906	—2,330,357
Letters of credit	117,215,985	114,035,661	+3,180,324	117,231,446	—15,461
Loans to comp.	11,241,102	11,154,084	+87,018	11,090,662	+150,440
Other assets	2,254,268	2,366,474	—112,206	1,781,673	+472,595
	208,722,885	205,657,220	+3,065,665	213,130,842	—4,407,957
Total	4,936,544,636	5,013,596,212	—77,051,576	4,073,902,370	+862,562,257
Note circ. dep.	3,385,452	4,133,443	—747,991	4,016,842	—631,390
Int. bank bal.	160,157,359	216,048,056	—55,890,697	167,753,394	—7,596,035
Gross	5,100,087,447	5,233,777,711	—133,690,264	4,245,752,615	+854,334,832
LIABILITIES					
To the Public					
Circulation	48,484,221	49,760,414	—1,276,193	74,976,140	—26,491,919
Dom. Govt.	555,379,937	686,438,255	—131,058,318	70,077,904	+485,302,033
Prov. Govt.	101,893,859	93,343,070	+8,550,789	98,901,356	+2,992,503
Deposits by Public					
Demand dep.	1,476,063,484	1,538,997,053	—62,933,569	1,351,612,498	+124,450,986
Savings dep.	1,825,759,365	1,782,136,499	+43,622,866	1,653,596,566	+172,162,799
Total	3,301,822,849	3,321,133,552	—19,310,703	3,005,209,064	+296,613,785
Foreign dep.	586,514,991	582,688,156	+3,826,835	506,217,845	+80,297,146
Due to Banks Abroad					
United Kingdom	32,467,792	29,941,306	+2,526,486	20,917,050	+11,550,742
Foreign	38,267,838	36,558,613	+1,709,225	33,597,267	+4,670,571
Letters of credit	117,215,985	114,035,661	+3,180,324	117,231,446	—15,461
Other liabs.	4,558,477	4,568,107	—9,630	4,768,282	—209,782
Total pub. liabs.	4,786,605,949	4,918,467,134	—131,861,185	3,931,896,334	+854,709,615
Due bet. banks	10,928,354	14,393,524	—3,465,170	12,296,056	—1,367,702
Liability to Shareholders					
Dividends	2,169,770	1,195,387	+974,383	2,785,835	—616,065
Reserve	136,750,000	136,750,000	....	134,750,000	+2,000,000
Capital	145,500,000	143,500,000	....	145,500,000	....
Gross	5,081,954,075	5,216,306,045	—134,351,972	4,227,228,225	+854,725,848

† Other than Canadian.

Debt Reduction Seen General

Municipal, Corporate and Private Debt Being Reduced

Increased wartime revenues of municipalities, provinces and corporations have resulted in considerable reduction of debt, it is stated by Dominion Securities in their September investment letter, and "It cannot be doubted that the successive reductions in debt — have served to strengthen the market for the securities of such borrowers."

The letter states that the total direct and indirect debt of the Canadian provinces was by 1942 reduced $91 millions from its 1940 peak. Longer term comparisons for municipalities have shown a reduction in the Ontario municipal debt from approximately $504 to $304 millions between 1932 and 1942.

"In that period remarkable reductions in debt were shown by the cities of Toronto, Hamilton, Ottawa, and many other municipalities throughout the province. These reductions were accompanied by increasing buoyancy in tax collections. In western Canada there is a similar record of debt reduction in the larger cities. Vancouver's net debt was written down from $62.3 millions in 1933 to $49.3 millions in 1942. Similar results have been shown in Calgary and Regina and several other large western municipalities."

Although detailed figures are not known, it is also true that substantial reductions in private obligations have been effected, and this process has been accelerated by the compulsory savings rulings of the federal government.

Cockshutt Plow Co.'s aircraft division at Brantford, Ont., which is turning out parts for current production of Lancaster bombers and Mosquito fighter-bombers at de Havilland Aircraft of Canada Ltd., Toronto, once more is enlarging its plant. Pigott Construction Co., Hamilton, is carrying out Cockshutt's wartime building program.

Homeowners and householders are liable for injuries received on their premises by visitors, tradespeople, etc. — a slip on an icy walk or on a carelessly left plaything, a bite by a dog, and scores of other ways in which often serious injuries can happen. Yet for a small sum, the householder can be protected against costly lawsuits by Pearl Residence Liability Insurance. This policy pays all legal expenses, even when claim is disallowed.

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Fire Insurance

First Loss Often the Smallest

U. and O. Insurance Gives Indemnity For Lost Revenues

It is sometimes said after a fire that the first loss is the smallest. In wartime this is particularly likely to be true, especially in the case of properties that contribute directly to the owner's revenue, such as mercantile and manufacturing buildings, hotels, apartment blocks and houses rented to others. Reason is that fire, even if it does not totally destroy the property, may render it unfit for use and thereby cut it off as a source of revenue until repaired. After the fire, what then?

Long Delays Possible

Under present conditions, when labor and materials are scarce, long delays before a property is again usable may be experienced and severe losses entailed. Ordinary fire insurance will indemnify the owner for the first or actual property loss. But it does not indemnify him against loss of the property's earnings. That kind of protection must be had through use and occupancy insurance. The two types of cover are complementary.

Necessity of use and occupancy insurance arises from the fact that ownership of business property is not an end in itself. The merchant, if he owns his own store, regards it as a factor necessary to make his own living. The same with the manufacturer. His income is derived from operations carried on in his plant. If the building is destroyed or damaged his manufacturing operations cease and he can no longer make money. Thus the businessman when the building burns, loses not only his property and goods but also the profits he intended to make. The apartment block owner loses his rents and the hotelkeeper loses the revenues he makes from services to the public.

Indirect Losses

Indirect losses are often very heavy also. For example, if a manufacturer has his plant put out of operation by fire, during the time taken for restoration, he must still meet certain expenses which are more or less fixed. Keymen, if not kept on the payroll, will drift off to other concerns and be lost to him. Taxes have to be paid. Interest on borrowed money has to be met. Advertising schedules have to be maintained or the firm loses contact with its customers. Moreover, the capital investment in the property and its restoration brings in no revenue until the plant is running again. The man who rents apartments or houses is in the same predicament.

The Use and Occupancy Contract is designed to give protection in such cases. It makes good the loss sustained through interruption of business operations.

There are, of course, certain limitations. For example, the liability of the insurance company is limited to a reasonable time for replacing the property or materials destroyed. If it were not for a provision like this, some property owner might decide not to rebuild for five or six years, during which the insurance company would have to indemnify him. The time allowed for restoration begins with the date of the fire and runs for a specified time.

Indemnity is also limited to the actual loss that can be shown. For example, the owner of a skiing resort could not claim the same indemnity if a fire occurred in the summer as he would in the winter. Similarly, the owner of a summer resort could not claim the same loss if the fire occurred in the winter as if it happened in the summer.

Likewise a merchant whose establishment was destroyed in time of depression could not claim the same indemnity as he would when business is booming. The contract, however, does give protection against normal loss from interruption of business.

Alberta Pacific Reduces Bonds

Plan to Lower Funded Debt and Restore Original Sinking Fund

Bondholders of Alberta Pacific Grain have been notified of a special meeting to be held Sept. 25 at Winnipeg to consider proposals to reduce amount of the outstanding bonds of the company.

It is to be suggested that the funded debt be lowered to $1,750,000 from its previous figure of $2,390,500, the reduction to be effected by delivering bonds to the trustee for the sinking fund. It is proposed to restore the original sinking fund provisions of the bonds as from Sept. 1, 1944, with the difference that payment will be made on Sept. 1, instead of on June 1. This will eliminate the present provision which relieved the company of making sinking fund payments except when working capital on the preceding Aug. 13 exceeded $1,250,000. The firm will agree, however, to pay no dividends that will result in lowering the working capital of the company below $1.5 million.

Seek Change Clause

Relief is also sought from the clause in the July, 1934, indenture which bars dividend payments unless all sinking fund dues under the original agreements have been met.

The resolutions will ask the bondholders to sanction lease by the company of any of the mortgaged premises, or sale of such properties by them to another organization provided such company is willing to assume all liabilities to the mortgage holders, and on condition its working capital immediately after the transfer exceeds $1.5 millions.

The above proposals follow purchase by Algoma Grain of the assets and undertakings of Alberta Pacific and assumption of its liabilities for a sum of $3.7 millions, or about $123 on each preferred share. Proceeds of this sale will be the only assets of Pacific Grain. Algoma Grain has already acquired 98% of the preferred and 80% of the common stock of the company through an offer made to shareholders early this year. Payment was at that time of $115 a preferred and $3 a common share.

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

W. T. THOMPSON, to be manager, Dundas & Brock, Toronto.

G. H. BAWDEN, to be accountant, Kemptville, Ont.

G. F. KERR, to be accountant, Parry Sound, Ont.

W. S. WILSON, to be accountant, North End, Saint John, N.B.

REID J. SMITH, to be manager, Halifax, N.S.

H. A. MURCELL, to be assistant manager, Manzanillo, Cuba.

The Bank of Montreal announces the following staff changes:

A. T. CORNER, third agent, New York, to be assistant to the president at head office.

A. ST. C. NICHOL, assistant manager, Chicago, to be third agent, New York.

E. J. MACKELL, assistant manager, Windsor, to be assistant manager, Chicago.

F. S. SHARPE, accountant, Hamilton, to be assistant manager, Windsor.

B. M. MACFARLANE, temporarily in charge, Barry's Bay, to be manager, Barry's Bay.

Monthly Bank Clearings

	August 1942	August 1943
Halifax	17,120,189	17,954,735
Saint John	10,001,297	12,249,204
Quebec	24,626,903	25,547,607
Montreal	533,576,377	660,130,674
Ottawa	257,983,466	325,911,193
Toronto	585,170,025	604,740,336
Hamilton	30,619,876	32,481,569
London	13,374,199	12,228,810
Windsor	20,343,592	18,307,394
Moncton	691,859	810,574
Sherbrooke	4,033,169	4,685,415
Brantford	4,463,739	4,629,600
Winnipeg	180,048,421	290,870,296
Regina	20,214,254	29,951,778
Edmonton	25,341,796	36,176,875
Calgary	29,081,660	36,864,722
Vancouver	107,751,194	136,385,252

Bank of Canada Assets Higher

Investments and Miscellaneous Items Rise — Less Sterling Being Held

Increase of $17.3 millions in total assets is shown in the Bank of Canada statement for the week ended Sept. 1. Main items, in the increase were a small gain in investments, and expansion in miscellaneous assets, including cheques on other banks, etc. Holdings of sterling were lower.

On the debit side, deposits of the chartered banks were higher, while note circulation continued to climb, reaching the new high record of $797.9 millions.

	Sept. 1 1943 $	Aug. 25 1943 $
Capital paid-up	5,000,000	5,000,000
Notes in circultn.	797,924,175	789,508,278
Rest fund	6,472,953	6,472,953
Deposits: Dom.	62,173,193	62,807,047
Banks	313,957,178	303,425,854
Other	10,063,697	14,789,334
Total deposits	386,194,068	381,022,235
All other liabs.	19,478,302	15,714,117
Total liabs.	1,215,069,498	1,197,717,583
Assets		
In Sterling & U.S.	38,719,841	41,259,841
Subsid. coin	260,150	256,998
Investments:		
Dom. govt. sh.	798,863,624	809,971,866
Other Dom. gov.	344,586,802	331,831,959
Total invest.	1,143,450,426	1,141,803,825
Premises	2,099,664	2,104,785
All other assets	30,539,417	12,292,134
Total assets	1,215,069,498	1,197,717,583

WAR INSURANCE RATES REDUCED

On August 16th, Finance Minister Ilsley announced a general reduction of 20 per cent and other specific reductions in the rates of all war risk insurance policies, either new or renewal, issued on or after August 17th.

Even though Canada may never be bombed or bombarded, there is always the danger from explosions in munitions plant areas and along all main highways and railways.

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Canada has grown to rich nationhood through the courage, resourcefulness and initiative of individual citizens. These qualities must be preserved in the challenging days ahead.

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THE ROYAL BANK OF CANADA

Mines With A Future

Golds Still Progress Despite War

Expansion Indicated For Some Juniors When Conditions Permit

By GORDON M. GRANT

Gold mining news these days chiefly reflects the gradual curtailment experienced by the industry due to the war. But a substantial number of mines either (a) have been able to maintain their positions due to exceptional foresight before the war, or (b) have recently exposed new ore of great significance despite the handicap of a labor shortage.

Some of these mines are reviewed in an accompanying story. Several, it is found, have indications of further ore justifying major expansion when a return to more normal conditions allows.

With labor and supply difficulties to the fore these days, gold mining news is predominantly of the "production rate reduced" or "mine closed down" variety.

But in spite of the labor and supply difficulties facing the gold mining industry, a considerable number of mines are definitely making progress, a fact which may be more obvious when conditions return more to normal.

Other mines have been able to maintain their operations at nearly normal levels, revealing foresight of mine managements in planning well ahead before difficulties reached the acute stage for the industry at large.

Production Not Always Key

In some instances outstanding mine progress has been made in the face of a declining production rate. Development progress may be exposing ore at a much more rapid rate than is being treated in the mill.

With restrictions on milling rates and the labor shortage, it is too much to hope that improved ore position will be translated into higher earning power just now except for the occasional company which can mill a better grade of ore. After the war rich ore exposures will likely be translated into greater mill capacities.

Some of the more outstanding mines in the gold mining picture are reviewed as follows:

Aunor Gold Mines—From the standpoint of both current earnings and new ore placed in sight, this company has been relatively unaffected by the war. Earnings were 17.4c. for the first six months of the year against 13.1c. the first half of 1942; exposures on the two bottom levels at 1,375 ft. and 1,500 ft. depth are impressive with perhaps 1,000 ft. of ore averaging 20 ft. in width showing at the lower level of mine average grade or somewhat better.

The labor situation at Aunor has not been nearly as acute as at many gold mines.

Broulan Porcupine Mines—This north Porcupine producer will likely show greater earnings for 1943 than 1942; earnings the first six months of 1943 were equal to 9.6c. a share against 5c. in 1942 due to mining of ore which runs better than mine average.

Development has had to be curtailed considerably, but much advance work was carried out before the labor shortage became acute; the mine appears to be in good shape to meet current difficulties.

Bonetal Gold Mines, in which a substantial interest is held, may have the westerly extension of new deep ore indicated at Hallnor on its property.

Cochenour-Willans — A reduction in milling rate at this Red Lake property has been offset to a degree by milling of better grade ore. The company has one of the highest grade properties in Canada. Recent exploration has indicated tonnage at the upper levels runs at least 1,000 tons of ore to the vertical foot.

Ore disclosures would warrant an increase in mill capacity after the war with more normal operating conditions.

Kerr-Addison Gold Mines — Impressive new ore disclosures continue to be made at this Larder Lake property despite a reduction in crew of almost half. Intersection of ore at the 2,500-ft. horizon in underground work recently has major significance. Diamond drilling had previously indicated the existence of large tonnages of excellent grade ore around the 2,000-ft. horizon.

Reduction in milling rate has affected earnings and exemption from corporation tax is now ended. Grade of ore treated has also declined as more ore has been drawn from larger lower grade stopes in order to economize on manpower. But recent ore disclosures have tended to increase the indicated mine average grade while the widespread character of the exposures would seem to suggest mill expansion is definitely "on the books." A year's broken ore in reserve is an important safety valve to assure continuity of operations.

Leitch Gold Mines—While production has been running a little lower at Leitch Gold Mines this year, earnings have been well maintained and are expected to be around 10c. a share for the full year if the labor situation doesn't take a serious turn for the worse. Development at depth has been revealing good lengths of very rich ore; the mine has probably closer to 11 years' ore in reserve than the eight years' reported for the end of 1942, it appears.

Madsen Red Lake Gold Mines—Development has been curtailed somewhat by this important Red Lake producer, but work continues to turn up further richer-than-average ore. Gradual increase in the average grade of ore in reserve at Madsen means that maintaining production value is much simpler than for the numerous less fortunate mines which must mill a gradually lower grade of ore. Present ore reserves would justify at least a doubling of mill capacity, it is understood.

Malartic Gold Fields—A lower milling rate has been unable to obscure the significant mine progress achieved by this producer at the east end of the Malartic area. It is quite conceivable production might have been maintained at a higher level by concentrating operations in the original mine workings but the results of continued development in the new west shaft area appear to have more than justified the policy followed.

Earnings are running low with only 575 tons of ore treated daily in the mill against a capacity of 1,000 tons a day, a capacity which was never fully used due to government restrictions and the labor shortage. When times return to normal, it is possible mill capacity may be gradually increased to 2,000 to 3,000 tons daily. Earnings will probably be conserved to finance expansion later on.

* * *

The fact that known ore resources have been extended at many mines, however, will not necessarily mean that expansion can be instituted immediately after the war. Where new ore has been indicated by diamond drilling, crosscuts and drifts will be required, followed by preparation of the stopes, the places where ore is mined. Where the ore has been outlined by drifts already, expansion may be achieved more quickly than at mines where ore is only drill-indicated. At some mines such as Kerr-Addison, both types of ore are available. It will probably prove quite feasible in a number of cases to go ahead with expansion of mill capacity while new ore is being made ready for mining.

MacMillan Synd. Reports Progress

MacMillan Prospecting Syndicate has been working on a molybdenite property in Gayhurst Township during the past month and has opened up two showings, some 4,000 ft. apart along the strike.

In the southwest showing it is reported that the molybdenite-bearing quartz vein system has been traced by cross trenches for a length of 400 ft. and is still open at both ends. In this section molybdenite occurs down the face of the mountain through a vertical distance of 140 ft. Widths over the 400 ft. length are not yet known in detail, but zones averaging 25 ft. wide have been reported.

The second showing, which is northeast directly along the strike from the first, consists of similar molybdenite-bearing quartz veins. Quartz veins here form two definite systems. The larger of the two has now been traced by cross trenches for 150 ft. with a width of 15 ft. Neither showings have yet been properly sampled but returns from samples up to 100 lb. are reported ranging from 0.20 to 2.23 MoS_2. It is anticipated that following bulk sampling a diamond drilling program will be undertaken.

Mid-Continent Starts Drilling

Mid-Continent Oil & Gas is reported embarking on an active drilling program on properties in the Taber area in Alberta. Contracts are stated to have been let to Newell and Ghandler, drilling contractors, to drill the first two wells immediately.

Holdings of Mid-Continent, which lie almost in the middle of this field, include leases of 1,560 acres lying to the west of the Dominion Oil Producing Properties. In addition, the company holds a half interest in two reservations covering from 6,000 acres lying between large Imperial Oil and Dominion Oil properties.

The location of the first wells to be drilled by Mid-Continent have been sited by the company's geologists, the reports state. Drilling of wells in the Taber field is said to be comparatively inexpensive due to the fact that the oil sands are reached at shallow depth. Mid-Continent is capitalized at 4 million shares, of which 2 million are unissued. It is believed that the company has more than sufficient cash on hand to complete the Nos. 1 and 2 wells.

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Mining INVESTMENTS

Gold mines' labor was the subject for discussion recently by a deputation of gold mining executives with the Federal Minister of Mines & Resources. No official statement on the meeting or its results has been released, but Toronto mining circles say the deputation was told that they would be allowed enough labor to "get by" when they voiced their fears that they would not be allowed sufficient labor to continue operations.

Such a ruling would apparently conform with Ottawa's recent handling of the gold mining industry. Drastic curtailment has been effected through reduction in manpower available, and the situation has now reached the place where any further losses of men might mean the wholesale closing of gold mines, something apparently not desired.

To shut down gold mines entirely would mean a major disaster for certain mines which would have huge shutdown expenses with no revenue coming in. For some, the crew required for maintenance would be nearly as large as that needed for production on a reduced basis.

* * *

Steep Rock Iron Mines now appears likely to secure hydro power for its property up at the head of the lakes in advance of time originally expected. The HEPC of Ontario is reported ahead of schedule on the 125-mile line and it is expected power will be turned on in November.

Every linesman who can be spared is stated to have been sent up to the head of the lakes and there are now some 400 men engaged on the project, 250 for the HEPC and the balance for subcontractors. Good progress is also reported on other major projects in connection with the Steep Rock development.

* * *

Barite production is likely to run considerably higher now that the shipping situation has eased, Karl Springer, president of Springer Sturgeon Gold Mines, which controls Canada's sole barite mine near Walton, N.S., reports. Canadian Industrial Minerals, the subsidiary, is expected to have shipments of better than $500,000 this year against $300,000 for 1942, he states.

With the company able to get all the ships it requires now, production has exceeded 14,000 tons so far this year compared with 8,000 tons for all of 1942. Current output goes to oil well drillers in Trinidad. Potential market in that area is estimated at 75,000 tons annually so there is believed to be considerable scope for expansion of operations. Drilling of the Walton barite deposit has outlined over a million tons of barite ore with the deposit open at one end.

Repayments of the sum owing by Canadian Industrial Minerals to Springer Sturgeon Gold Mines has allowed the latter to call the balance of its 6% notes for redemption on Sept. 30, five months in advance of the maturity date.

* * *

World shipping not only affects the barite situation, as mentioned above, but a host of other important war minerals. The fact that the United Nations' shipping fleet is rapidly expanding is of great significance in regard to our ability to import many items—chrome, iron ore (from Brazil), tin and tungsten. Reopening of the Burma Road would undoubtedly step up the flow of tungsten still further, while recapture of the Malay States would, in time, mean resumption of output of tin.

As it is, the situation as regards strategic minerals is much better than many authorities had dared to hope a year ago. For instance, molybdenum and tungsten are in fairly adequate supply for really essential purposes, while new methods and techniques evolved have resulted in economies of many materials previously thought essential. For most items, the war metals drive is perhaps not of the same pressing importance.

* * *

Asbestos, a normally active industry at the outset of the war, has experienced a substantial expansion of production to meet new war needs. H. K. Sherry, vice-president of Canadian Johns-Manville, declares that his company has more than doubled its output of asbestos fibre in the past four years.

Canadian Johns-Manville alone is now making over a thousand war products, most of them of asbestos which is fireproof and practically indestructible, it is stated. Flameproof suits, shell splinter blankets, asbestos pads for tanks, brake linings, packings, are a few of the items.

The Canadian Johns-Manville mine is the largest in the world. Its factory output in 1943 has been 60% ahead of 1942.

Pioneer Gold has purchased for cash from J. M. Taylor the Eagle & Eagle fraction claim which joins the Pioneer property on the north. No announcement has been made as to the price. It is reported that no immediate development of this part of the property is possible at present, owing to the labor situation, but it is hoped to obtain additional help when men are released from farming and other seasonal occupations.

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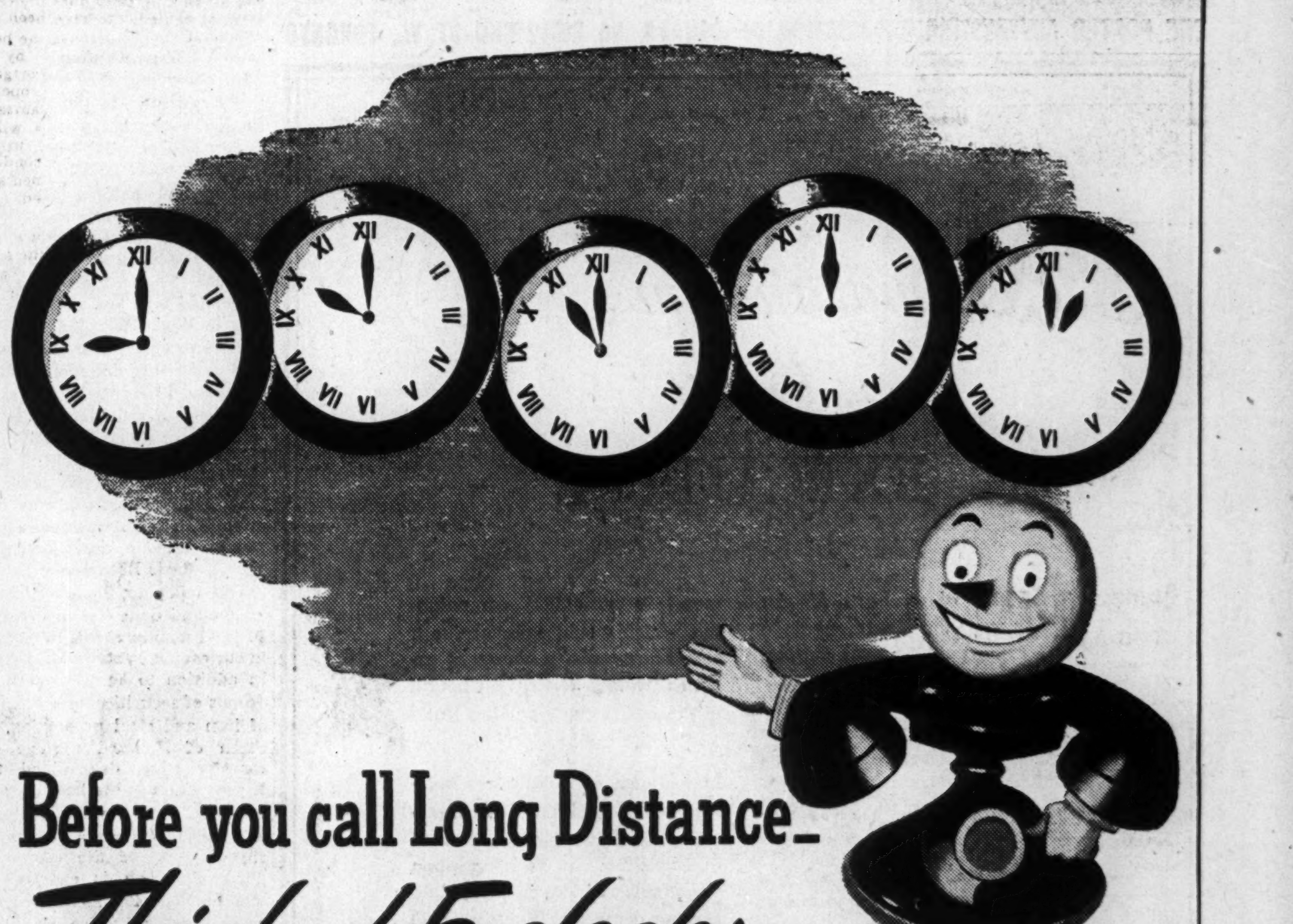

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"Rhythmics"

How to Read Your Business Future

Study of Fluctuations in Economic Cycle Said Aid to Industry

As a result of more than 500 different kinds of economic series having been analyzed by the Foundation for the Study of Cycles, it has been found that a fairly regular pattern of peaks and lows occurs in industrial production, consumption and security prices. It is claimed by Edward R. Dewey, the director, that companies making use of such information can determine how to price goods, time advertising, and how to control inventory, etc. It is pointed out that, in addition to making forecasts of the business future, study of cycles can aid society through predicting the recurrence of epidemics and plagues of pests.

Hand-to-mouth operations, no important additions to staff, and after 1946, a scrapping of surplus equipment in preparation for an 18-year period of relatively stable activity.

That is the recipe for successful operation as prescribed by the Foundation for the Study of Cycles for an unnamed public utility company in the United States. But it is a prescription as individualized as any issued by a physician, and the Foundation authorized it for a utility whose rate of growth had been slowing down for 36 years. This medicine might prove completely unsuitable for any other company.

The recipe for this particular company was arrived at after a laborious study of the ups and downs of the company's business between 1903 and 1939, mathematical smoothing of the figures, eventual deduction of a long term repetitive pattern from the apparently meaningless fluctuations in the firm's sales. And from this pattern Edward R. Dewey's three-year-old Foundation has projected the company's development over the next few years, making the conservative recommendation outlined in the first paragraph.

How accurate the predictions of the Foundation will prove is still in question. But after three years' operation, the organization could point to over 500 individual studies, similar to that quoted on the public utility, in which major and minor cycles had been isolated and graphed. Besides studying the ups and downs of business, the Foundation has set its calculators to work in many fields of natural science, can provide cyclical data on almost everything from influenza to elephants.

One of the earliest studies of fluctuations in the economic field commenced as a result of observations by the Hudson's Bay Co. They noted that fluctuations in abundance of pelts offered from year to year by Indians and trappers were fairly regular. When someone got the idea to plot a chart of them, giving the offerings of lynx skins from 1844 to 1904, it showed that the number of offerings fluctuated from about 4,000 in a poor year to more than 70,000 in a really good one.

Average Time Span

It was revealed also fluctuations occurred with sufficient regularity to provide a rough knowledge of when future peaks and valleys might be expected: an average of the time span between all the peaks and all the bottoms averaged out to a rhythm of 9¾ years. Since 1904 the plotting has been continued for 36 years and the results, in spite of a downward tendency, conform closely to the original projection.

More than 500 different kinds of economic series have been analyzed by the Foundation for the Study of Cycles. It has been found that a basic wave length is present for common stock prices as a whole and for dozens of individual securities. It is present in the figures of iron and steel production and in most of the business indices.

In the animal world, it was found that elephants have periods of abundance at 62-year intervals, mice plagues come at 4-year intervals, and swarms of certain insects recur at intervals of about two weeks coinciding, amusingly, with one of the minor rhythmic ups and downs in the stock market. Gardeners will observe a plague of tent caterpillars every few years while in others they are comparatively few.

Mice Plagues

Early in 1938, says Mr. Dewey, the picture was plotted of pig iron production in the United States from 1900 to 1940 by which the percentage per month is compared with that of the same month in the preceding year. Time intervals between the tops and bottoms in pig iron production average out to a little less than 41 months—40.8 months to be exact.

True Rhythm

In observing the rhythm of peaks and lows in pig iron production over this period, when there has been established a true rhythm it was found to return to the original pattern after any distortion. For instance, after a low register in 1911-1912, there followed a peak at the regular interval. Thereafter the rhythm descended to a low at the beginning of World War No. 1.

In spite of the war the low in 1914 came only one month ahead of time and the high in 1915 came only one month late; then in spite of war efforts, the rate of increase of production fell off until 1918, when a low was made on time; after which, early in 1919, in spite of the Armistice, a high was made again, exactly on time.

Basic Recurrence

This tendency for a recurrence of ups and downs at intervals of 40 or 41 months seems to be basic in our economy, states Mr. Dewey. In addition to being present for dozens of securities, in the figures of iron and steel production, Dr. Stern of Harvard College Observatory has determined that the variation in the heat received on earth from the sun fluctuates in the form of a compound rhythm, one of the component parts of which is exactly 40.8 months! The 40.8 month wave in solar radiation is so clear and strong and regular that the odds are computed by Dr. Stern as only one in 250,000 of its being the result of chance.

Supposing there is a 40.8 month wave in business, how can this fact be used?

U. S. Firm Studies Cycles

In 1935 and 1936 a large U. S. electrical goods firm, according to the Foundation, having observed recurring peaks and lows in their sales and production figures, reached the conclusion that 1937 would show an important downtrend in their business. Consequently they refrained during 1936 from all capital investment with the result that at the peak of 1937 they had no excess capacity either in existence or under construction. Then, in 1938, expecting as they did that business in 1939 and 1940 would increase, they boldly spent $10 millions for new capital equipment. By expending this money at a time of depression they helped a little bit to iron out one of the fluctuations in business and, from their own standpoint, they saved at least two years in interest charges and obsolescence, to say nothing of the lower cost at which they were probably able to make their purchases.

18⅓-year Building Cycle

Similar to pig iron rhythm, fluctuations in building activity in the U. S. for the 150 years from 1795 to 1938 average a time span between consecutive tops and bottoms of 18⅓ years. While there are many irregularities, observes the Foundation director, on the whole there is enough conformity to the ideal pattern to conclude that this behavior cannot be merely the result of chance, for it has persisted for a 150 years and this in spite of distortion caused by the Napoleonic Wars, the Civil War and World War No. 1, and all the panics, booms and depressions in between.

Short Rhythm

A study of fluctuations from month to month in building activity, moreover, shows that in addition to the long rhythm of 18⅓ years, there is a short rhythm averaging about 33 months from peak to peak.

This 33-month rhythm seems to be present, remarks Mr. Dewey, in a great many economic series, including bond prices, retail sales and consumer goods generally, but it must be noted that big rhythms like the 18-year building cycle have medium rhythms like this 33-month minor building cycle riding on their backs. Most business curves do not show simple rhythmic behavior, but compound rhythmic characteristics that need to be separated by laborious statistical calculations.

Prediction

In the opinion of Mr. Dewey, information based on cycles can obviously be put to use in every department of business—in connection with wage increases and decreases, pricing, timing of advertising and sales promotion, and as an aid to purchasing and proper inventory control.

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Toronto's Bay St., looking south from Bloor. 5:30 p.m. August 18th.

And Prepare for Peacetime Selling

THE POSTER ADVERTISING ASSOCIATION OF CANADA, 80 RICHMOND ST. W., TORONTO

Memorandum

to an

EXECUTIVE

MANY of us have felt for some time that appeals to the public for the support of welfare and charitable organizations should be centralized into one campaign, and that the multiplicity of individual appeals which has existed heretofore is wasteful of time, of energy and of money.

At last we have realized our hopes through the formation of the United Welfare Fund, which comprises 18 of the more important welfare campaigns such as the three Federations (Jewish, Catholic and Protestant), the Y.M.C.A., the Salvation Army, etc., etc. Seventy-six organizations are embraced in the United Welfare Fund.

The United Welfare Fund is on trial this year. It is essential that it should succeed. If it does not, each organization would have to revert to individual campaigning, which would definitely be a step backwards, a source of expense, wasted energy on behalf of the canvassers, and an irritation to the public.

In wartime, especially, the services of our social welfare agencies must be kept at a high level of efficiency. In deciding upon your subscription in the forthcoming campaign (September 20 to October 1) please keep before you the fact that there are eighteen appeals being presented to you at one time, and bear in mind that increased burdens placed upon all welfare organizations on account of wartime conditions require a minimum of $1,553,226 for 1944 services.

One of our Volunteer Canvassers will be calling upon you around the middle of September.

Hugh Lawson,
Campaign Chairman.

Jas. S. Duncan,
General Chairman.

UNITED WELFARE FUND
TORONTO

ELECTRICITY is a WAR WEAPON Save it!

The LINE PATROL
keeps Ontario's Power Flowing

● Maintenance of Hydro transmission lines presents a tremendous challenge to the men whose job it is to keep Ontario's power flowing. For, in war or peace, the factory, the farm, and the home, depend upon an unfailing supply of electricity.

● During the winter, when deep snow blankets the province, line patrol and maintenance is particularly tough. In the north . . . when, at many times of the year, roads are impassable . . . line patrols of men and dogs, fight their way through the drifts . . . battling blizzard, ice and frost. In summer too, the patrol must continue. Where economically possible this is done by car or truck, but in many remote places it must be carried out on foot or by canoe. In fair weather or foul, the year around, Ontario looks to Hydro for power . . . and Hydro men see that they get it.

● From one end of the province to the other . . . from the great lakes to the wilderness of the far North . . . Hydro patrol men and crews of skilled linemen are on the alert, day and night, ready to meet the onslaughts of nature in the raw . . . ready to combat the havoc wrought by any storm. And . . . when disaster strikes . . . they stay on the job until the power is flowing again, so that Ontario's war-geared industries can keep running full-tilt, producing on round-the-clock schedules.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

RPM Keynote for Today

R.P.M.—Repair, Protect, Maintain—that's the slogan of plant owners and maintenance engineers today—that's the sound patriotic way to help conserve essential materials and manpower for the war effort.

Particularly is this true of buildings, for every foot of manufacturing, office or residential space is needed. New construction is restricted; so existing plants must be made to last until "V" day.

Regular, careful inspection of your building and a planned R.P.M. programme will prevent trouble and deterioration before they start. Pay particular attention to the roof, flashings and roof connections. Inspect the membrane carefully and repair or re-surface any weak spots, see that flashings are in good condition and well cemented, check the drains and downspouts, the walls, foundations and all points the weather may attack, then attend to necessary repairs promptly. Where a roof is beyond repair, re-roof with Barrett Specification* felt, pitch and gravel—the roof which today protects so many Canadian war plants and industries.

Barrett manufactures a complete line of maintenance specialties for R.P.M. work and Barrett Roof Inspection Service is still available for industrial buildings. Through this service, a trained Barrett representative will inspect your roof and submit a complete report on its condition with recommendations on how to extend its life. Let Barrett help you plan an R.P.M. programme.

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